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ABSTRACT

Changes in the coordinating activities of the Australian Universities Commission (AUC) between 1959 and 1970 are discussed, along with events leading to the creation of the Australian Research Grants Committee and the Academic Salaries Tribunal. In addition to reviewing relevant literature and official documents, interviews were conducted with university and government officials. Attention is directed to the role of the Commonwealth government in formulating education policy in the 1960s and the tensions faced by a large Commonwealth statutory authority in action. The AUC's role in responding to the following four tensions are addressed: providing advice to the Commonwealth on the universities' financial and developmental needs as part of its role as both an advisory and regulatory body, and administering programs of recurrent and capital grants that the AUC recommended; ensuring a proper balance of national needs and states' rights; reconciling changing views of university autonomy with changing government views regarding the accountability by universities for public funds provided to them; and safeguarding its own autonomy while serving successive ministers of education and cooperating with federal government departments responsible for coordinating the overall development of the Commonwealth's role in education. (SW)

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Coordinating Australian University Development

A Study of the Australian Universities Commission 1959-1970

A.P. Gallagher

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To John
and
Annette, Christian
and Lucy

51

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Publisher's Note

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Foreword

Before the Second World War the Commonwealth Government was very reluctant to become involved in education. In the mid-thirties when requested to give financial assistance to encourage postgraduate studies, the Attorney General doubted whether the Commonwealth had the constitutional power to make such grants. A small grant for postgraduate studentships was made through the CSIRO.

A constitutional amendment of 1946 gave the Commonwealth power to grant benefits to students, but it did not acquire other constitutional powers in the field of education. But once the decision was made to become involved in education, the Commonwealth was able to use Section 96 grants to the States to extend its role. "Who pays the piper calls the tune", and in little more than twenty years after establishing the Universities Commission the Commonwealth was calling the tune to such an extent that State governments were forced to change legislation on universities and colleges to give effect to Commonwealth decisions on "rationalization".

It was the need for manpower management during the war and preparation for the repatriation of members of the armed services after the war that persuaded the Commonwealth Government to enter the field of education. Once in, it was reluctant to leave, and that reluctance was strengthened by requests from the universities to stay in.

In this book Dr Gallagher outlines the changes in the coordinating activities of the Universities Commission between 1959 and 1970. From his study of the records he concluded that during that period the Commission increasingly served the Commonwealth government rather than the universities or State governments, and thereby facilitated a growing Commonwealth role.

Of particular interest is his account of the ways in which successive ministers influenced the operations of the Commission: "on several occasions the relevant minister established an atmosphere in which the Chairman of the AUC was in no doubt of political guidelines and constraints".

The political guidelines and constraints were notably strong when

the Fourth Report of the Commission for the years 1970–72 was prepared. In the Fifth Report for 1973–75 there were signs of a much greater attention to the interests of universities. But thereafter the developments were in line with Dr Gallagher's generalization for 1959–70.

In 1973 the Commonwealth persuaded the States to withdraw from the financing of universities, in 1977 a Tertiary Education Commission was established to strengthen the Commonwealth role, in 1979 and 1980 the legislation under which Section 96 grants are made for education was amended to further strengthen the Commonwealth role, and whereas when the AUC was first established it was very protective of university autonomy, in 1981 the TEC proposed that universities should not make developments it disapproved even if the universities did not need Commonwealth funds to finance them.

In addition to his analysis of the developing role of the AUC, Dr Gallagher provides for good measure a valuable account of the events leading up to the creation of the Australian Research Grants Committee and the Academic Salaries Tribunal.

Dr Gallagher's study of developments from 1959–70 has made me impatient to see a companion study for 1971–82. That impatience is really a tribute to the value of this book.

Professor Sir Bruce Williams
London
January 1982

Acknowledgements

I wish to acknowledge thanks to several groups of people: Mr K. N. Jones, Permanent Head, Commonwealth Department of Education, and Professor P. Karmel, Chairman, Tertiary Education Commission, who agreed to make official records available, the staff at Commonwealth Archives, the Tertiary Education Commission and the Department of Education who helped me locate material, and colleagues Professor W. G. Walker, Dr W. S. Simpkins and Dr G. S. Harman for their guidance and encouragement.

List of Abbreviations

ALP	Australian Labor Party
ANU	Australian National University
ARGC	Australian Research Grants Committee
AUC	Australian Universities Commission
AUT	British Association of University Teachers
AVCC	Australian Vice-Chancellors' Committee
CACAE	Commonwealth Advisory Committee on Advanced Education
CAE	College of Advanced Education
COE	Commonwealth Office of Education
CPD	Commonwealth Parliamentary Debates
CRTS	Commonwealth Reconstruction Training Scheme
CTEC	Commonwealth Tertiary Education Commission
DES	Department of Education and Science
DLP	Democratic Labor Party
FAUSA	Federation of Australian University Staff Associations
FCUSAA	Federal Council of University Staff Associations of Australia
HOR	House of Representatives
NUAUS	National Union of Australian University Students
RCAGA	Royal Commission into Australian Government Administration
SAIT	South Australian Institute of Technology
TAFE	Technical and Further Education
TEC	Tertiary Education Commission
UC	University Commission
UGC	University Grants Committee

1
Introduction

This is a case study of the role of a tertiary education commission in public policy-making. Its purpose is to examine major changes in the coordinating activities of the Australian Universities Commission (AUC) from 1959 to 1970. Its central assertion is that in playing its part in university development during that period, the AUC increasingly served the Commonwealth Government rather than universities or State Governments, thereby facilitating a growing national role in an area traditionally the responsibility of the States.

Importance of the Study

In the system of tertiary education in Australia in the 1980s, "coordination" is a key problem around which revolve many important practical questions concerning relations between universities and governments, especially issues of organization and control.

Due mainly to popular concern for the achievement of equality of educational opportunity and a belief that universities could be used as vehicles of economic progress, over the past twenty years or so in many Western countries tertiary education has undergone a dramatic transformation. To the mid-1970s the numbers of students and campuses expanded rapidly and the courses and functions of tertiary institutions diversified. In order to plan in an orderly way and to settle disputes between sectors and institutions, different units were welded to comprise "systems". As these changes involved big costs increases, particularly costs to the public purse, tertiary education came increasingly under the direct control of governments. This meant that in many cases universities lost a degree of their individual autonomy and came to be regarded as part of a tertiary education system, a system expected to serve public needs and purposes.

Because of this transformation, most Western countries have had to develop machinery to control and coordinate the development of tertiary education. Various types of "coordinating agencies" have emerged, some countries instituting advisory committees, some

statutory authorities and others using government departments.[1] Canada, for example, established ministerial departments of higher education in a number of Provinces. In the federal countries of Canada, West Germany and the USA, coordinating agencies developed at the "State unit" level rather than the "Federal unit" level. The evolution of different types of coordinating agencies did not necessarily reflect greater centralization of decision-making. From one nation to another the situation could best be described as a perpetual and dynamic search for equilibrium with some countries reflecting a move towards centralization, as in Britain, others such as France, Italy and Spain demonstrating a movement in the opposite direction.

Much earlier this century in the United Kingdom a particular type of advisory-body was created to act as a coordinating agency. Called the University Grants Committee (UGC) and established in 1919, it was strategically and conspicuously placed between universities and government where it attempted to reconcile the interests of the State as paymaster and guardian of public policies with the autonomy of universities. By 1960 in India, New Zealand, Australia and other parts of the British Commonwealth, university grants bodies with similar functions had been created. Coordinating agencies such as these have multiple and sometimes conflicting roles. They attempt to mediate between university interests and government interests in such a way as to maintain the confidence of both sides; they try to protect universities from too great a degree of influence by government and yet encourage universities to serve public needs.

In all the countries mentioned above, the character and function of coordinating agencies are changing in response to political and educational change. A good example of such a process of change is the UGC. Although from its foundation until the late 1950s the scope of the UGC's activities significantly increased, there was very little alteration in its main function. Berdahl observed in 1959 that the UGC, which had been receiving its financial grants directly from the Treasury and administering them with few questions asked, was accepted as the archetype of independence and autonomy in a coordinating agency.[2] However, a decade later, due to the imposition of stronger government controls, its image had changed. According to Halsey, the whole *modus operandi* of the UGC had become anachronistic:

> The UGC, fairly or unfairly, is now commonly seen to wear the outmoded imperial clothing of an Edwardian Club, conducting its business in diplomatic secrecy and perpetuating itself by a co-

> optation of carefully selected and safe "establishment" members.[3]

The character and function of coordinating agencies in Britain, Canada and the USA and their changes over time have received careful scrutiny by a few scholars,[4] but in Australia little work of any substance has been undertaken in this area. What has been the trend in Australia? What sort of coordinating role did the AUC play, and why?

The Australian Universities Commission: A Coordinating Agency

As a number of scholars in the areas of the politics and the history of education in Australia have observed, since Federation and more particularly since the end of World War II, education has become increasingly subject to national political controls.[5] Due both to pressure from the States and universities, and to its own initiative, between 1942 and 1970 the Commonwealth Government became deeply committed to the direct financial support of State educational institutions for which it had no clear and generally recognized Constitutional responsibility.

To coordinate its financial support, the Commonwealth Government chose statutory advisory authorities (or commissions), and to a lesser degree non-statutory advisory bodies, to provide advice and monitor the administration of financial programmes of education in the States. The Commissions in order of establishment were: The Australian Universities Commission (AUC) in 1959,[6] the Commission on Advanced Education in 1971 (set up initially in 1965 as the Commonwealth Advisory Committee on Advanced Education), the Schools Commission in 1973, the Technical and Further Education Commission in 1975 and the Tertiary Education Commission in 1977. (A Bill to establish a Children's Commission was passed by Commonwealth Parliament in June 1975 but it was never fully proclaimed.) As Birch and Smart observed:

> By the mid 1970's education commissions appeared to be entrenched in the Australian educational process and the national concern for education has been institutionalised in these bodies.[7]

The AUC was the first Australian example of a Federal education commission and from 1959 to 1970 the most conspicuous public agency advising the Commonwealth Government in the area of education. The AUC had as its direct origins the Report of the Committee on Australian Universities (the Murray Report, 1957), the

findings of the first committee to study and report publicly on a specific sector of education from a national viewpoint. The central principle of the Murray Report, and that upon which all of its recommendations depended, was that it was necessary for the Commonwealth Government to accept a greater degree of financial responsibility for State universities. The Commonwealth Government agreed to adopt that principle and the responsibility for the development of universities became a partnership between the Commonwealth and the States.

Yet throughout the 1960s there was a growing tension between the AUC on the one hand and universities and the States on the other. From its inception, the AUC was seen by the Commonwealth Government as its own agency, established to advise the relevant Commonwealth Minister on financial assistance for universities from a national viewpoint. As a prominent Vice-Chancellor observed of the AUC in 1970:

> . . . it was a Commonwealth instrumentality established by Commonwealth legislation to advise the Commonwealth on the financial support appropriately to be given to Commonwealth and State universities in Australia.[8]

In many ways the AUC became a model for the education commissions which followed it. Although it exercised a major influence over the development of universities, the Commission did not "run" or manage State universities. Through its recommendations for block grants to the States the AUC established a system which was intended to respect the institutional autonomy of universities. Until it was replaced by the Universities Council of the Commonwealth Tertiary Education Commission (CTEC) in 1977 the AUC continued to be central to university development in Australia.

The AUC's main objective of providing advice to the Commonwealth Government on balanced and coordinated development could only be achieved through consultation and cooperation at three levels – university, State and federal.

At *university level,* of the eleven universities and two university colleges in Australia in the early 1960s, each provided a three year plan of its recurrent and capital expenditure to the AUC in order that the Commission could prepare financial estimates for each triennium. Each university was (and still is) a self-governing institution established by Act of Parliament. The AUC considered each one as unique and as being at a different stage of development. After receipt of all the "bids" for capital and recurrent needs the AUC visited each university to discuss the plans with the Vice-Chancellor, the Professorial Board and academic staffs, with administrative

staffs, residential college staffs, students and others. As the decade progressed and university costs grew, the AUC and the universities alike became aware of the need to provide more extensive and detailed information for an adequate representation of an aggregated universities' request. The AUC's evolving procedures to meet this need were adopted by the universities often against their will.

Second, *at State level* the AUC's work of coordination consisted of regular contact with Premiers, State Under-Treasurers and to a lesser degree senior officials of State Departments such as Education, Public Works and Health. This contact allowed discussion of each State's differing plans for its university or universities. As will be demonstrated later, from 1965 to 1969 (during the second and third triennium of the AUC) financial problems arose for the States as a result of their having insufficient resources both to meet all of their expanding educational needs and to match the Commonwealth's specific purpose grants for universities. The AUC's recommendations in its Third Report were rejected by the States and delicate negotiations were needed to obtain the States' consent to the proposals of the AUC's Fourth Report.

Third, at the *Commonwealth level*, the AUC provided advice to the minister-in-charge of Commonwealth activities in education and research. Until late 1966, the relevant minister was the Prime Minister, Sir Robert (then Mr) Menzies, who was assisted from by Sir John (then Mr) Gorton. Successive ministers were Mr Gorton (1966-68) and Mr Fraser (1968-69). Senior officers in the Departments of the Treasury, Prime Minister and, after 1966, Education and Science, cooperated with the AUC in its task of advising the Prime Minister on financial assistance to and development of universities.

The AUC's role as a coordinating agency at these three levels is shown below in Diagram 1, The Position of the AUC as a Coordinating Agency. A complete description and analysis of the AUC's tasks of coordination and cooperation during the 1960s at the three levels is beyond the scope of this book. Although an extended account of the interactions of the AUC with universities and the States is an important part of a comprehensive statement encompassing all the elements of university development, the emphasis of this work is on the AUC's role as a coordinating agency at Commonwealth level. This focus is represented by the thickened arrow in Diagram 1. The relationships of the AUC with universities and State Governments and the interaction of State and Commonwealth Governments with each other and with universities are included only insofar as they help explain aspects of this approach.

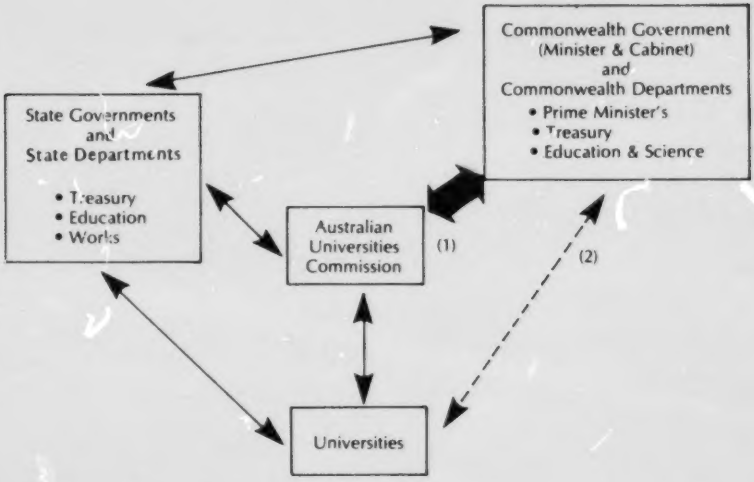

Diagram 1. The Position of the AUC as a Coordinating Agency.

Notes

1. Although represented separately on Diagram 1, AUC was actually a Commonwealth Government Agency.
2. Universities continued to have some informal contacts at Commonwealth level but their formal channel to the Commonwealth was through the AUC.

Major Tensions in University Development

As a coordinating agency, the AUC undertook its tasks of consultation and cooperation in the face of tensions which existed among:

1. The varied plans for university development at Commonwealth and State levels;
2. The differences between the plans of individual universities and the AUC's perceptions of national and individual university needs;
3. The need for the AUC to maintain a substantial degree of autonomy and the requirement of the Commonwealth Government and Commonwealth Departments to coordinate the overall development of the Commonwealth's role in education;
4. The AUC's dual function, to provide advice to the Commonwealth Government and to regulate programmes which resulted from that advice.

In this study, these tensions are identified as:

Tension 1: National needs v. "States' rights".

Tension 2: University autonomy v. public accountability.

Tension 3: Statutory independence v. administrative coordination.

Tension 4: The advisory/regulatory dilemma.

The existence and interaction of these tensions was the dominant element altering the coordinating activities of the AUC during the period 1959-1970.

Tension 1: National needs v. "States' rights"

The Constitutionally based "States' rights" issue in Australia concerns the degree to which responsibilities in government and administration, traditionally undertaken at State level, come under increasing Commonwealth influence and control.

Differences in priorities for university development between the Commonwealth and each of the States were exacerbated by an imbalance of Commonwealth/State powers which increasingly favoured the Commonwealth. Although the effects on States' budgets of Commonwealth specific purpose grants for universities varied, the overall effect was significantly to restrict each States' freedom of planning in education. Nevertheless, the combined bargaining strength of the States continued to control the pattern of university development. Although after 1959 questions of finance for universities could no longer be a matter for State Governments alone (unless they were prepared to do without Commonwealth financial help) the States remained responsible for the development of tertiary education within their own borders and were in a position where their collective voice could not be ignored.

In these circumstances, how did the AUC reconcile national needs and States' rights?

Tension 2: University autonomy v. public accountability

The plans of individual universities for their future development were often at cross-purposes with the AUC's perceptions of national needs. In Australia, the coordinating activities of the AUC were instrumental in leading a shift from individual institutional independence to autonomy for each university within a system. Throughout the 1960s each university continued to exercise its own initiative in certain aspects of planning, but on matters of new faculties, university size, building standards, staff and salary structure, the amount of research and postgraduate training, the Commonwealth

Government, through the AUC, exercised an increasing influence. The result was that each university acted less and less independently.

How did the AUC approach the task of maintaining a balance between university autonomy and public accountability? Did the AUC uphold or undermine university autonomy during the 1960s?

Tension 3: Statutory independence v. administrative coordination

A third tension for the AUC was the struggle to maintain its independence as a statutory advisory authority and yet continue to uphold a harmonious working relationship both with the minister to whom it was responsible and with the central agencies of the Commonwealth Public Service. Until 1966 the Department of the Prime Minister was responsible for providing advice as to whether the AUC proposals were in accord with the Commonwealth Government's overall plans, especially in education. From 1966 onwards, the Department of Education and Science began to play a similar role. But, throughout this period, did the AUC remain master of its own affairs or was it effectively controlled by central agencies of the Commonwealth Public Service?

In the development of universities, significant differences appeared between the decisions of the Commonwealth Government and the advice given to it by the AUC. Each successive Minister for Education exhibited a deep personal interest in the development of universities and it was the minister who held ultimate responsibility for decisions to be made. The personal style and system of values, or "appreciative system"[9] of each minister was a central element controlling the way in which the AUC went about its work. On several occasions the relevant minister established an atmosphere in which the Chairman of the AUC was in no doubt of political guidelines and constraints. Did successive ministers restrict or safeguard the independent advisory capacity of the AUC?

Tension 4: The advisory/regulatory dilemma

As the 1960s progressed and the AUC consolidated its position as a statutory advisory agency, it found itself in a quandary. Initially it appeared to be established as an advisory body with little executive or regulatory power, created in order to ensure that impartial advice was given to government. To do so it needed a high degree of independence. With the passage of time and the increase in the magnitude of the grants, the AUC's regulatory role became more prominent as did its task of serving the minister through providing

answers to ministerial letters and parliamentary questions on university development.

In becoming less an independent "buffer" agency and more a governing agency, did the growth in the AUC's administrative tasks gradually overshadow its independent advisory role?

Methodology

Investigation of these questions required both an exploration of relevant literature and access to the official documents of the AUC and other Commonwealth Government agencies. In 1978, with support from the then Minister for Education, Senator Carrick, the Permanent Head of the Commonwealth Department of Education and the Chairman of the CTEC, permission was obtained from the minister responsible for Commonwealth Archives to look at relevant official documents up to 1970. Examined were: the minutes and files of the AUC and its committees, university submissions to the AUC and the relevant files and documents of the Departments of the Prime Minister and Education and Science. This material was inspected at the Commonwealth Archives, the Commonwealth Tertiary Education Commission and the Commonwealth Department of Education.

For an understanding of the subtleties and nuances with which the changing relations between the AUC, the universities and governments abound, recourse to people was as necessary as recourse to documents. The intention was to undertake a series of interviews in order to provide the opportunity for expression of a wide range of viewpoints on the role of the AUC as a coordinating agency in the face of the four tensions just described. Particular effort was made to have represented a balance of interests of universities, governments and Commonwealth and State level administrations. With one exception, that of Sir Leslie Martin, Chairman of the AUC from 1959 to 1966, who was unable to be interviewed due to illness, all those approached were interviewed. Interviews were held with the Chairmen and past members of the AUC and senior staff of its secretariat, a Commonwealth Minister responsible for education during the 1960s, the present Permanent Head of the Department of Education, the present Chairman of the CTEC and several prominent individuals and public servants possessing knowledge of the events and circumstances which are the subject of this work. A full list of interviews is attached as Appendix 1.

Changes in the AUC as a coordinating agency as influenced by the

tensions described in the previous section were considered in relation to official documents and relevant literature.

The body of knowledge on postwar increases in Commonwealth fiscal power and its influence over the States in the 1960s through the use of specific purpose grants yielded background information on Tension 1: National needs v. "States' rights". Evidence of the attitudes of Commonwealth and State Governments towards university development in the 1960s was sought through official documents and files, reports and interviews.

Evidence concerning Tension 2: University autonomy v. public accountability, was sought through the extensive literature on university development in the 1960s. The actual interaction between the AUC and the universities over the decade was approached through reading the submissions of the universities to the AUC, the minutes and supporting documents of the Australian Vice-Chancellors' Committee and through interviews.

Concerning Tension 3: Statutory independence v. administrative coordination, theories and approaches to public administration and policy-making provided insights into the coordinating functions of government departments and government ministers. This was supported by data concerning tensions among the AUC, government ministers and departments from the documents and files of the AUC and of the Departments of the Prime Minister and of Education and Science.

Finally, in relation to Tension 4: The advisory/regulatory dilemma, the literature on public administration provided the background on the use and characteristics of statutory advisory agencies. Evidence of the evolution of the AUC's conflict between its administrative and advisory roles was supported by data from interviews and the documents and files of the AUC.

A framework for analysis of these tensions and their interaction both with the AUC and with each other is presented in Part I, Coordinating University Development: Its Meaning and Its Process.

Summary

In the development of universities in the 1960s the AUC acted as a coordinating agency working at the interface of government and universities, attempting to ease the tensions of university autonomy, "States' rights" and federal financial support. The AUC was an important catalyst in this development and was itself transformed by the changes which took place. As a coordinating agency it had both an advisory and an increasingly important regulatory function. It

not only provided advice to the Commonwealth Government on the collective financial needs of universities and their balanced development but also became progressively involved in the web of administration which emerged as a result of that advice. The functions of the AUC involved both change and conflict. In fact the attempt to ameliorate conflict was a principal reason for the AUC's existence.

Notes

1. A number of scholars has observed these developments. For example, see: T. R. McConnell, "Coordinating Higher Education", *Higher Education Review* 8 No. 1 (Autumn 1975); and Ernest G. Paola, Timothy Lehman, William R. Blischke, *Higher Education by Design: The Sociology of Planning* (Berkeley: Center for Research and Development in Higher Education, University of California, 1970).
2. Robert D. Berdahl, *British Universities and the State* (Berkeley: University of California Press, 1959), p. 192.
3. A. Halsey, "The University and the State", *Universities Quarterly* (Spring 1969): 146.
4. See, for example: Berdahl, *British Universities and the State;* Burton Clark, "The Many Pathways of Academic Coordination", *Higher Education* 8 No. 3 (May 1979); Lyman A. Glenny *et al., Coordinating Higher Education for the 1970's* (Berkeley: Center for Research and Development in Higher Education, University of California, 1971); T. R. McConnell *et al., From Elite to Mass to Universal Higher Education: The British and American Transformation* (Berkeley: Center for Research and Development in Higher Education, University of California, 1973).
5. I. K. F. Birch, *Constitutional Responsibility for Education in Australia* (Canberra: ANU Press, 1975); G. S. Harman, *The Politics of Education* (University of Queensland Press, 1974); M. J. Reynolds, "Intergovernmental Relations in Australian Education: The Role of the AEC in the Formation of Federal Policy" (M.Ed. thesis, The University of Western Australia, 1974); D. Smart, "Federal Aid to Australian Schools: origins and aspects of the implementation of the Commonwealth Science Laboratories and Libraries Scheme" (Ph.D. thesis, A.N.U., 1976); P. D. Tannock, "The Role of the Government of the Commonwealth of Australia in Education since Federation 1901-1963" (Ph.D. dissertation, The Johns Hopkins University, 1969).
6. The forerunner of the AUC was the Universities Commission established in 1943 to assist in the war effort. It is described in Chapter 4.
7. I. K. F. Birch and D. Smart (eds), *The Commonwealth Government and Education 1964-1976: Political Initiatives and Developments* (Melbourne: Drummond, 1977), p. 5.
8. Zelman Cowen, "The Growth of Federal Participation in Australian Education" in *School, College and University: the Administration of Education in Australia,* ed. W. G. Walker (St Lucia: University of Queensland Press, 1972), p. 9.
9. For a full explanation of this term see: Sir Geoffrey Vickers, *The Art of Judgement: A Study of Policy Making* (London: Chapman and Hall, 1965).

PART I

Coordinating University Development: Its Meaning and Its Process

2
The meaning of coordination

This chapter considers the scope given to the term "coordination" and hence the meaning ascribed to the AUC as a "coordinating agency". In order to do so it is first necessary to delineate the distinctive nature of this study in relation to perspectives and studies in the realm of public policy-making.

The relationship of this study to other studies of public policy-making

This is a study of an aspect of public policy-making, one of the most rapidly expanding yet least well mapped areas in the sphere of enquiry known as "policy sciences". As with many studies in public policy-making, the chief interest in this work lies in the process rather than the content of policy, that is to say in changes in the AUC's coordinating role rather than the specific content and outcomes of the AUC's tasks.

In the USA in particular, the study of public policy-making has developed into an academic subdiscipline which today is sometimes called the "policy sciences" or "policy studies". Scholarly reviews of the policy sciences literature emphasize that approaches to it are headed in many different directions. That such different points of view do exist is not surprising. Public policy-making is a complex and difficult process often described as having no beginning or end and as having uncertain boundaries.

Although much of the story of the growth of Commonwealth Government influence in education policy-making in Australia has already been undertaken, most of this literature is concerned with content and outcomes rather than with processes. An exception is a case study by Weller who examined the roles of senior public servants and interest groups during the legislative phases establishing the Commonwealth Schools Commission.[1] However, none of the literature available examines the main coordinating elements in university development nor has the AUC, or any other Australian advisory body in education been studied from the vantage point of its changing function as a coordinating agency.

In the literature there are a number of different approaches. Many partial theories have emerged, some of which assist in explaining the "how" of public policy-making from a particular vantage point. Although no discernible consensus exists among academics as to the state of the art, approaches to the study of public policy can be broadly classified and six common approaches are identified below:[2]

Approach 1: Structural administrative studies of policy-making institutions, often developed from the perspectives of sociology or public administration. These studies are designed to show how institutions work and many also examine the effects of structures on the content of policy. For example, Dearlove, in a study of Local Government in Britain, showed the way that rules and perceptions shaped activity.[3]

Approach 2: Process studies, often case studies of particular events or longitudinal studies of different policy areas. For example, Heclo's study of social policy in Britain and Sweden examines the influence of the various institutions of government on social policy.[4]

Approach 3: Demographic studies, examining variations in policy outcomes across a number of political systems and policy fields. The work of Dye is a good example.[5] This approach argues that particular decisions are less important than general economic and social conditions as an explanatory factor for change.

Approach 4: Economically oriented "efficiency" studies. Economists, such as some associated with the Rand corporation, concern themselves with output rather than processes leading to output. Using technical methods, such as cost-benefit analysis and systems analysis, they attempt to test the effectiveness of policies by referring to the achieved output, to improved management in the implementation phase or to ensuring comprehensiveness or precision in the policy design phase.

Approach 5: Studies which apply economic reasoning to the analysis of political and bureaucratic behaviour. Writers like Buchanan and Tulloch, Downs and Olsen have developed theories intended to predict the likely behaviour of participants or to describe the basic modes of behaviour in terms of postulates and models analogous to those developed in economic literature.[6]

Approach 6: Studies concerned explicitly with encouraging the making of "better" policy. Blending material from various

> sources, including approaches mentioned, writers such as Dror try to turn their insights into direct advice to governments.[7]

Although distinct, these approaches are not mutually exclusive and many public policy studies include strands from various approaches.

Likewise, this analysis of major changes in the coordinating activities of the AUC incorporates three approaches. In terms of Approach I it is a structural/administrative study designed to examine the effects on the role of the AUC of its nature as a Commonwealth statutory advisory authority. It resembles Approach 2 in being a case study analysing the effects of differing plans of government and universities on the AUC's coordinating activities. Further, this study draws upon Approach 3 to the extent that alterations in the functions of the AUC are considered in relation to changes in general economic and social conditions.

Public Policy-making: A Definition

Differences in approach to the study of policy-making being manifest, and the study of the public policy-making processes in education being relatively unexplored, it is necessary to state what is understood by "policy" and "public policy-making".

The dictionary meaning given to "policy" is that of an advantageous or expedient course of action adopted and pursued by a government or ruler. The dictionary sense is sometimes reflected simplistically in definitions of policy-making as a more or less rational activity of specifying objectives and devising and implementing means for attaining these objectives. For example, Lasswell depicts it as a sequential problem-solving process.[8]

A recent definition of policy by Harman conveys a meaning closer to the sense of the word as it is to be understood in this study. Harman points out that policy includes unintended as well as intended consequences:

> Policy is a course of action or inaction towards the accomplishment of some intended or desired end. It embraces both what is actually intended and what occurs as a result of the intention.[9]

It is asserted in this work that policy-making is not a simple or single process; policy is not made in the sense that a bridge is constructed or controlled in the sense that a machine is started. Policy-making processes are complex, contingent, uncertain and sometimes muddled and cannot be realistically represented by any neat, rational model. Policy-making is best understood as a network of interaction, only parts of which are controlled. Single individuals

and single organizations seldom dominate the policy-making process or impose consistent logic or direction. If men make policy they do not make it entirely as they choose.

It is asserted too that policy and policy-making are essentially dynamic rather than static concepts. Policy-making is a continuous process in which a policy, once made, leads to a further policy and these new policies in their turn have further consequences. Not only is it difficult to conceive of an optimal policy measure against a single system of values, but more importantly, policy problems do not have a consistency or unity about them enabling problems to be clearly identified.

A further perspective on policy-making is contributed by Heclo, who views it in terms of learning and adaptation.[10] To explain his approach, Heclo adopts a long-term perspective in which he compares the development of social policies in Britain and Sweden in the twentieth century. To Heclo, a most important feature of public policy-making is that it is a form of collective puzzlement on society's behalf entailing both deciding and knowing. This experience of "puzzling" leads to learning and adaptation.

These characteristics of policy and public policy-making can be as much associated with the role of the AUC as a coordinating agency in public policy-making on universities as they can be in other areas of public policy. The concepts of change, complexity, puzzling and uncertainty are applicable to ways in which the AUC adapted to its role. In an interview, Sir James Vernon, an AUC Commissioner throughout the 1960s, put his view of the AUC's role in policy-making as follows:

> In this complex situation it is dangerous to oversimplify. There are so many aspects, so many different persons, bodies, governments and universities that it almost defies simple analysis to say this was the trend, that such and such policies emerged. It was a far more complex process than that.[11]

Although pieces of legislation or administrative regulations and procedures can be regarded as examples of Commonwealth Government policy for universities during the 1960s, the meaning of policy encompasses something more. Policy was not always stated and sometimes it was not written down or clearly identified in documents. Even when written down policy was often subject to interpretation. In fact everything that looked like an agreed or fixed policy was for someone a source of disagreement or the starting point for new efforts to alter the decision. The process was continuous and the policy made cannot be completely identified if set apart from the processes themselves. Just as unintended consequences

revealed new opportunities as well as the fallibility of earlier plans, so too the tempo of policy-making varied and the definition and redefinition of policy problems never ceased. Only by continually adapting to these changes could the AUC continue to play an effective role as a coordinating agency.

Coordination: A Definition

"Coordination" in terms of dictionary definition means to bring into common action, movement or condition, to adjust or harmonize. The word coordination has conspicuous normative overtones and is sometimes merely a euphemism for stronger words such as coercion or centralization. To some, coordination in practice means simply the exercise of control or direction over the actions of other people. To others, coordination is a remit to impose a unification of approach or action throughout the whole operation of any function within their jurisdiction. Despite these overtones, coordination is generally understood to mean agreement or cooperation between individuals in an organization or units in a "system" so that they should not work at cross-purposes and so that policies or plans should be mutually supportive rather than contradictory.

Before proceeding, the word system needs clarification as it can be used in many different ways. It may be defined as an orderly arrangement of parts, as formed of parts placed together or adjusted into a regular and connected whole, or it may refer to a group of things or processes which do not make a regular and consistent whole but have a classificatory unity. The latter is the common meaning applied to the "university system" in Australia in the 1960s.

In the USA, coordination in tertiary education has been defined by Glenny as "the act of regulating and combining so as to give harmonious results".[12] Another scholar, McConnell, has put the view that three elements are necessary if coordination is to be effective: the efficient allocation of scarce resources and consequent avoidance of costly duplication, the expansion of educational opportunities, and maintenance of diversity in the tertiary education system.[13] Again in the American context, the Carnegie Commission in 1971 saw that administrative coordination of tertiary institutions necessarily implied a coordinating agency and that two prerequisities were necessary for its success. The coordinating agency needed to be persuasive and the units needed to be willing to subordinate their individual interests to common goals.[14]

In Australia, Harman has recently defined the function of the act of coordination in tertiary education as involving:

> Some degree of regulation of the activities of higher education institutions, with the aim of developing greater harmony and consistency and a more comprehensive approach, achieving greater overall efficiency and balance and avoiding unnecessary overlap of functions and wasteful use of scarce resources.[15]

Although not mentioned specifically, Harman's definition implies, like that of the American scholars, that if done administratively so as to integrate diverse aims and produce a more comprehensive and regulated approach, a coordinating agency is necessary.

Yet these definitions do not cover the full scope of the meaning attributed to coordination in the literature on tertiary education. What is missing is the acknowledgement that coordination itself is the result of the constant adjustment and accommodation of the major forces or influences with an interest in university (and to some extent other tertiary) education. From this vantage point, understanding university development is improved if descriptions of the changing functions of coordinating agencies are widened to encompass the different ways in which the actions of major interest groups and organizations are linked, what linkages they have to other parts of the social system, whether they are deliberately linked or not, and whether they are in harmony or disharmony. These forces and their linkages in relation to the AUC were shown in the introductory chapter in Diagram 1, Position of the AUC as a Coordinating Agency. In this sense, as with policy-making, coordination is a network of interactions.

Another American, Burton Clark asserts that there are four forces at work in university development: political, bureaucratic, academic and market. These forces could be summarized as having the following objectives:

1. *Political*: To articulate a variety of public interests, including justice, as these are defined by prevailing groups within and outside government.
2. *Bureaucratic*: To compose a formal system out of fragmented parts and provide a fair administration.
3. *Academic*: To protect professional self-rule, maintain control of academic work, including its standards, in the hands of those permanently involved and most intimately acquainted with it.
4. *Market*: To enhance and protect freedom of choice for personnel, clientele and institutions and thereby promote system flexibility and adaptability.

Clark claims that in attempting to achieve their separate objectives

these forces constantly interact and in their adjustment to one another tend to maintain a changing balance between institutional independence and public responsibility.[16]

Clark's framework is reflected in the literature about the development of tertiary systems where the "forces" postulated by him are given different names but their existence is not questioned. For example, Ashby, in an address to an international symposium on education, claimed that all higher education systems were structured according to a "balance of forces".[17] He called these forces: the internal force of traditional educational values and objectives (academic forces), the external environmental forces of "customer demand" and "manpower needs" (market forces) and "patrons' influence" (political and bureaucratic forces).

Another example occurs in the recent report of the Committee of Inquiry into Education and Training (the Williams Report) which claimed that four groups contributed to the "efficiency" of the system:

> It depends on community attitudes and the sensitivity of the community to both opportunities and problems as they emerge. It depends on governments and their willingness to provide the finance needed . . . It depends on the Commonwealth and State Commissions and Boards in the field of education . . . to help generate conditions in which the universities and colleges can give of their best. It depends on action in a large number of universities, CAE's and TAFE institutions to work effectively within their proper fields of academic interest . . . [18]

In Australia during the 1960s the fourth force mentioned by Clark, that of market forces, manifested its influence mainly through the actions of student organizations such as the National Union of Australian University Students (NUAUS) and professional associations such as the Australian Institution of Engineers. Market forces did not impinge directly on the functions of the AUC. Professional groups did not have extended interaction with the AUC and issues concerning financial assistance for students were a matter for the Commonwealth Scholarships Board.

With the exception of market forces, the other three forces of Clark bear some resemblance to the first three tensions mentioned in the introductory chapter: national needs v. "States' rights", university autonomy v. public accountability and statutory independence v. administrative coordination. However, there is a difference in the scope of the conceptual frameworks. Clark's focus is the overall process of academic coordination whereas this work is concerned with changes in the role of a coordinating agency in that process.

In the British context, Aitken described the tensions between government and universities and the role of the UGC as a coordinating agency as follows:

> The universities have an expertise . . . that is theirs and theirs alone; it withers under external directions. Yet the State is concerned at many vital points with the performance of universities . . . and it cannot leave them entirely to their own devices. A working relationship must therefore be sought in which the universities are cooperative but not subservient, the State willing to provide and request but not to command. This relationship needs an intermediary, capable of understanding both State and university and of interpreting each to the other.[19]

In similar fashion this work explores the role of the AUC as an intermediary between government and university in Australia.

Summary

This is a book about public policy-making which incorporates three elements. It is a structural/administrative study of the effects on the changing role of the AUC wrought by its status as a Commonwealth statutory advisory authority. It is a case study of the influence of the differing plans of government, the bureaucracy and universities on the coordinating activities of the AUC. Thirdly, in its analysis it acknowledges the significance of wider forces such as social and economic conditions on the changes which took place.

Policy, policy-making and coordination are seen as dynamic concepts. Coordination is defined as involving regulating and combining so as to give harmonious results, which if done administratively so as to integrate diverse aims, requires a coordinating agency. It is asserted that in an explanation of the process of coordination, concepts of change, complexity, puzzling, uncertainty and the effect of political circumstances need to be taken into account.

The development of universities in Australia in the 1960s, through policy made at federal and State levels (with the advice of the AUC) contained patterns shaped by conscious and careful decisions and by the unplanned and unpredictable effects of wider social forces. The coordinating process was continuous and the policy made cannot be completely identified if totally separated from the processes themselves. The coordination of university development took place through the mutual adjustment of political, bureaucratic, academic and market forces and the focus of this work is the changing role of the AUC in that process. It is to that changing

role, particularly in the face of the four tensions mentioned in Chapter 1, that this study now turns.

Notes

1. R. F. I. Smith and P. Weller, "Public Servants, Interest Groups and Policy Making" (Occasional Paper No. 12, Department of Political Science, A.N.U., Canberra, 1976).
2. This classification is derived from G. Hawker, R. F. I. Smith and Patrick Weller, *Politics and Policy in Australia* (St Lucia: University of Queensland Press, 1979), pp. 7-8.
3. J. Dearlove, *The Politics of Policy in Local Government* (Cambridge: Cambridge University Press, 1973).
4. H. Heclo, *Modern Social Politics in Britain and Sweden* (New Haven: Yale University Press, 1974).
5. T. R. Dye, *Policy Analysis* (Birmingham: University of Alabama Press, 1976).
6. J. M. Buchanan and G. Tullock, *The Calculus of Consent* (Ann Arbor: University of Michigan Press, 1962); A. Downs, *Inside Bureaucracy* (Boston: Little, Brown, 1967); and M. Olsen, *The Logic of Collective Action* (Massachusetts: Harvard University Press, 1965).
7. Y. Dror, *Public Policy Making Re-examined* (San Francisco: Chandler, 1968).
8. Harold Lasswell, "Policy Sciences". *International Encyclopedia of the Social Sciences* 12 (MacMillan, 1968): 181-82.
9. G. S. Harman, "Policy-Making and Policy Processes in Education" (A paper presented at the Fourth International Intervisitation Program in Educational Administration, Canada, 1978), p. 5.
10. Heclo, *Modern Social Politics.*
11. Transcript of an interview with Sir James Vernon, held in Sydney on 27 April 1979, in possession of the author.
12. Lyman A. Glenny, *The Autonomy of Public Colleges: The Challenge of Coordination* (New York: McGraw-Hill, 1959), p. 1.
13. T. R. McConnell, "The Coordination of State Systems of Higher Education" in *Emerging Patterns in American Higher Education,* ed. Logan Wilson (Washington: American Council on Education, 1965), p. 24.
14. *The Capital and the Campus: State Responsibility for Higher Education,* Report and recommendations by the Carnegie Commission on Higher Education (New York: McGraw-Hill, 1971), p. 24.
15. G. S. Harman, "Some Issues of Coordination in Higher Education" (Paper delivered at a Seminar on Education and Training to 2001, Canberra 24-26 June, 1977), p. 2.
16. Burton R. Clark, "Coordination: Patterns and Processes" in *12 Systems of Higher Education: 6 Decisive Issues,* G. Kerr *et al.* (New York: International Council for Educational Development, 1978); and "The Many Patterns of Academic Coordination", *Higher Education* 8 no. 3 (May 1979): 251-68.
17. Sir Eric Ashby, "The Structure of Higher Education – a world view", *Higher Education* 2 no. 2 (May 1973): 135.
18. *Education, Training and Employment,* Report of the Committee of Inquiry into Education and Training (Canberra: AGPS, 1979), para. 18.37.
19. Sir Robert Aitken, "The Vice-Chancellors' Committee and the UGC", *Universities Quarterly* 23 no. 2 (Spring 1969): 171.

3

The role of the AUC in the process of coordination

The AUC was established in 1959, a time when education was manifestly a State responsibility but when a need existed for substantial assistance from the federal government for State universities. During the 1960s the AUC was to become:

> . . . in part a buffer between the traditional independent institutions and the governments which would share the cost of expenditure, in part a catalyst for accelerated development and in part an instrument for ensuring a supporting role for the central government.[1]

The AUC's changing role as a coordinating agency will be demonstrated in Parts II and III of this work. In order adequately to understand the AUC's changing role, a closer examination of four tensions is now undertaken. As mentioned previously, these are: national needs v. "States' rights", institutional autonomy v. public accountability, statutory independence v. administrative coordination and the advisory/regulatory dilemma.

Tension 1: National needs v. "States' rights"

The AUC undertook its coordinating role in an atmosphere of federal/State rivalry over many issues of responsibility including that of university development. As is to be demonstrated in later chapters a change in the balance of power in the Australian federation was a central determinant altering the task of university coordination.

The seeds of growing Commonwealth dominance were sown into the fabric of the Constitution at the establishment of the Australian federation. In 1900 federalism was understood to be a method of separating powers so that levels of government could be "within a sphere, coordinate [or divided] and independent".[2] Since that time there has been a conspicuous shrinking of independence and division between levels and an increasing drift towards cooperation, with the powers for such cooperation returning increasingly to the federal level.

The underlying social and economic reasons for this change were massive technological advances, continual economic growth and a widening social consciousness resulting in new perceptions of the role of government. A consequence of these developments has been a remarkable extension of the range and level of government services and a commingling of many government functions. As Vickers observed in the context of the United Kingdom, from 1850 to 1950 there was a vast expansion in the provision by government of largely monopolistic common services, some at user's expense and some at common expense. The expansion of government provision of educational services to society at public expense both in Britain and Australia is an example of this change. By the 1960s most observers of federalism in Australia felt it was unlikely that the earlier concept of divided and independent governments would ever reappear. "Co-operative federalism", of which Australia was a conspicuous example, had replaced the original idea and was apparently a style of government here to stay. According to Sawer, most of the mechanisms of the Commonwealth Government, including the High Court through giving the broadest scope and operation to the Section 96 power of the Commonwealth Constitution, had facilitated the development of cooperative federalism under federal leadership.[3] Under the Section 96 power, the Commonwealth Government, through the Parliament, can "grant financial assistance to any State on such terms and conditions as the Parliament thinks fit".

Another observer, Mathews, claimed that the 1960s saw a further change to "coercive" federalism. This was a change whereby the Commonwealth Government, under the guise of cooperative federalism, used its fiscal powers to impose its policies on the States. Mathews asserted that, with the exception of the uniform taxation policy during and after World War II, coercive federalism was a product of the anti-centralist non-Labor governments which held office from 1949 to 1972. He saw the growing conflict within the government of pursuing such a policy as leading to the downfall of the Prime Minister (Gorton) who espoused such a policy.[4] Gorton's perceptions of the responsibilities of the Commonwealth Government extended to education; its consequent effect on the role of the AUC as a coordinating agency is considered later in this work.

The first reason for friction between national needs and States' rights in education has been that the fiscal and constitutional authority for education did not coincide. Education has traditionally been interpreted as a residual power of the Australian States. However, since the commencement of the Federation the Commonwealth has had considerable authority in education under heads of power such as immigration and defence.[5] In addition, in 1946,

through a majority vote in a national referendum, a Social Services Amendment (Section 51 [xxiiiA]) was inserted into the Australian Constitution; this Amendment included the phrase "benefits to students". Although a number of scholarship schemes were established under this power, it was not conspicuously exploited by successive federal governments and many Australians continue to believe that, as has been stated by Cowen, the Australian Constitution is "wholly silent" on the matter of education.[6] Although the extent of Commonwealth authority for education under the Australian Constitution continues to be debated, there is no doubt that much of the *de facto* fiscal power has increasingly resided with the Commonwealth and, by the attachment of terms and conditions to grants of money to the States under Section 96 of the Constitution, the Commonwealth has extensively influenced the development of almost every aspect of education in Australia.

One of the recurrent dilemmas of a federal system is the problem of where power to undertake a particular function of government, unperceived at the time of the federal union, resides. For example, in university development in the Australian context, no one appears to have stated any lasting and commonly accepted operational and objective criteria for distinguishing between matters of national and of State concern, and what these criteria imply in terms of legislative, financial and administrative responsibility. Since neither level of government could abolish the other, action by both was necessary for the provision of effective programmes of university development. This led to the establishment of the AUC and an expansion in its activities. According to Menzies, the means whereby the AUC was established and made recommendations was:

> . . . a very good illustration of how something which was not anticipated in the Constitution when it was first enacted can come into existence by judicial interpretation and the inexorable demands of new circumstances.[7]

It was not a satisfactory partnership, as one of the States' main concerns with the mechanisms for financing universities was that commitment of their own funds to match the Commonwealth's specific purpose grants was distorting their own priorities in education. In these circumstances, particularly at the time of the AUC's Third Report (1966), university finance became a bargaining point for what the States saw as a wider fiscal advantage.

A second facet of the tension between national and State needs was the increase in Commonwealth financial domination after World War II. This was principally the result of four developments:

1. The postwar uniform tax arrangements whereby the Common-

wealth Government continued the wartime practice of collecting income taxes on behalf of the States, and the consequent reliance of the States on Commonwealth general revenue grants as a substitute for their own taxes.

2. Several postwar decisions of the High Court of Australia concerning uniform taxation which favoured the Commonwealth and which made it difficult for the States to impose broad based consumption taxes.
3. Commonwealth control of the Australian Loan Council.
4. The growth, particularly in the 1960s, in specific purpose grants for Commonwealth determined programmes and policies in fields of traditionally held State constitutional responsibility, including education.

Developments 1 and 4 had a major effect on changing the coordinating role of the AUC.

Of particular importance in relation to the first development was the decision of the High Court in the Second Uniform Tax Case in August 1957. This decision left the State Governments increasingly subject to the influence of Commonwealth Government policies, through conditional grants of finance. Among other things, the Court was unanimous in holding to be valid the Commonwealth Government proviso that the States abstain from imposing income tax as a condition of obtaining tax reimbursement grants which were made under Section 96 of the Constitution. This decision, according to Sawer, worsened the position of the States:

> . . . since it finally lay at rest most of the doctrines suggested from time to time for the purpose of avoiding the possible influence of Section 96 on State administration.[8]

Of particular importance, too, was the fourth development, the increase in size and number of Commonwealth specific purpose payments to the States during the 1960s. In aggregate, specific purpose payments quadrupled between 1959 and 1971 and their rate of growth far exceeded the rate of growth of Commonwealth and State tax collections and expenditure, of general revenue grants and of the Gross National Product.

The largest increases in specific purpose payments were in education, particularly to universities. In 1955 total government expenditure on universities (excluding State or Commonwealth assistance to students) was $18.6 million. By 1967 it had risen to $144 million. The Commonwealth share thus rose from 37.6 to 55.4 per cent. Although the relative share of the States fell it needs to be realized that the absolute amount provided by the States rose commensurate with the Commonwealth increase and this exacerbated the growing

difficulty faced by the States in meeting their share of growing university costs.

In comparison with Australia at that time, the Canadian Federal Government, which regarded university finance as primarily a matter for the Provinces, provided 18 per cent of recurrent and 8 per cent of capital funds and appeared to be decreasing its contribution.

A third facet of dissatisfaction between the Commonwealth Government and the States concerned the nature of the mechanism used by the Commonwealth to provide financial assistance. The strengthening of the Commonwealth fiscal role occurred in a setting in which the Australian Constitution remained almost unchanged. From 1901 to 1970 the Commonwealth Government made many attempts to provide a transfer of power to itself by trying to alter the Constitution through national referenda. Most of these attempts were unsuccessful. Undeterred, the Commonwealth Government sought out alternatives, one result being the continual creation of what could be termed "extra constitutional" agencies for intergovernmental cooperation. These administrative means of relieving federal tensions were not always examples of a cooperative approach. According to Parker, since the 1960s the use of such agencies has been marked by unequal bargaining strength, distortion of priorities of lower levels of government and centralization of power:

> This array of devices presents perhaps the richest and most characteristic aspects of the Australian brand of federalism. Yet many of them are not so much "federal" devices as improvisations to secure unity of purpose, often under centralized direction, in spite of federal limitation and barriers.[9]

Australia has been considered a pioneer in the development of extra-constitutional agencies, the best examples of which are probably the Australian Loan Council, the Premiers' Conference and the Commonwealth Grants Commission.

The Commonwealth Grants Commission machinery served as a major safety valve in the functioning of the Australian federal system through providing special assistance or equalization grants. These grants gave to the claimant States the capacity to provide services on a standard scale without obliging them to conform to standard expenditure and taxing patterns or even to maintain standard levels of expenditure and taxation.

In parallel fashion in 1959, Menzies as Prime Minister hoped that the AUC would have the capacity of assessing financial needs and providing fiscal equality between universities without challenging any individual university's independence to allocate grants according

to its own assessment of its needs. The grants were to be provided on a shared funding basis designed to assist the States in maintaining their universities yet recognizing the constitutional responsibilities of the States.

The Commonwealth Grants Commission was established in 1926 by the then Prime Minister, Mr Lyons, who decided that administratively it would be attached to the Prime Minister's Department so that it would appear to the States more independent than if it were attached to the Commonwealth Treasury. Partly because no Commonwealth Ministry of Education existed early in the 1960s this practice was followed with the AUC, the Australian Research Grants Committee and the Commonwealth Advisory Committee on Advanced Education. However, in 1966, when the Ministry of Education and Science was formed, these agencies were moved to that portfolio.

Since its inception, the States had by and large viewed the Commonwealth Grants Commission as an independent body, aloof from partisan politics, competent, consistent, fair in its dealing with them and sympathetic to their problems. That the States did perceive the Grants Commission in this way was, May claims, due in large measure to its membership.[10] Did the States view the AUC in a similar light, or did their view alter as a result of increasing financial difficulties?

To summarize the elements at work in the first tension, it is claimed here that throughout the history of Australia's federal system the centripetal/centrifugal pull of national interests versus States' rights has varied according to changes in parties in power or groups in the ascendant in political parties. Inexorably, the fiscal power of the Commonwealth has increased as has its influence in education.

During the 1960s, without power in practice to impose income taxes and without power in law to impose sales taxes, the States' sources of independent revenue by way of taxation were meagre and unsatisfactory, at a time when demands upon them for the provision of various social services, and notably education at all levels, were growing even greater. Although by 1969 it was obvious that the States had surrendered much of their fiscal power, particularly in relation to universities, this did not necessarily imply that the overall capacity of the States to develop and plan their university systems had faded. In fact, throughout the 1960s almost all major initiatives in university development remained State initiatives. For example, the establishment of Monash University had already been decided by the Victorian Government by 1959 while by then the New South

Wales Government had commenced considerable developments at the University of New South Wales, and further initiatives were taken by both these States later in the decade. During the 1960s it was the initiative of the South Australian Government which established Flinders University in 1965 and it was similar initiatives by the Queensland Government which eventually established James Cook University at Townsville. Furthermore it was the Western Australian Government which commenced plans for Murdoch University.

How did the climate in Commonwealth/State relations just described affect the way in which the AUC went about its role of developing a national system of universities and in ensuring balanced development in the allocation of resources?

Tension 2: University autonomy v. public accountability

The second tension was the result of a conflict between the plans of individual universities for their own development and the AUC's perception of needs for universities as a whole when viewed from a national perspective. Constant adjustment to the tension between public accountability and institutional autonomy was an issue central to the AUC as a coordinating agency. The problem was to maintain an acceptable balance between two necessities: the necessity for freedom for academic institutions and the necessity that they should serve the needs of society by ensuring that scarce public resources were used to maximum public advantage.

As institutional autonomy and academic freedom are two terms which are easily confused, before proceeding a distinction is needed. Academic freedom is defined as:

> The absence of discriminatory treatment on grounds of race, religion and politics: and the right of each to teach, according to his own conception of fact and truth, rather than according to any predetermined orthodoxy. It involves further, a freedom to pursue what personal studies and researches are congenial.[11]

Rather than the intellectual freedom of the individual academic it is the institutional autonomy of an academic society and its redefinition over time that is at issue in explaining this tension.

The institutional autonomy of Australian universities is a result of their being self-governing institutions established by Acts of Parliament. Each (Commonwealth and State) Act provided for the incorporation of the university as a body corporate and for the establishment, constitution and powers of its governing body. Generally

speaking, the governing body (Senate or Council) is responsible for the management of the university's affairs and in particular for its academic affairs, subject only to requirements specified in the enabling Act. These requirements generally include provision that statutes, bylaws or regulations made by the governing body require the approval of the State Governor or Parliament, provision for annual audit of university accounts and for the preparation of annual reports for the Governor and/or Parliament. Governing bodies are generally given power to confer degrees and diplomas and to appoint and dismiss staff.

One definition of institutional autonomy is that of Berdahl who sees it as attempts at self-government in the face of "State efforts to plan and coordinate higher education on a multi-lateral basis".[12] Before this definition can be adopted for use in this work, a further distinction needs to be made between what could be termed "procedural autonomy" and "substantive autonomy". The former refers to government control over how institutions go about pursuing their goals through such accounting techniques as pre-audits, line-item budgets and central purchasing. The latter concerns what programme goals the institutions are pursuing and how they mesh with the goals of other institutions in the context of government decided needs and resources. Of course procedural controls can affect an institution's ability to achieve substantive goals. But it is within the realm of substantive autonomy that the Commonwealth Government, through the AUC, had the legitimate but delicate role of ensuring that the public interest was adequately protected as further university development took place. In the 1960s a lack of adequate collaboration between the AUC and the universities led to a significant dispute over whether the increasingly detailed requests for information by the AUC represented an unjustifiable incursion by government into both the procedural and substantive autonomy of universities. Evidence produced later will attempt to show to what extent these incursions upheld and to what extent eroded institutional autonomy.

As was indicated in the discussion on the first tension, coordination of university development was given some definable order not only through adjustment by Commonwealth and State levels of government to each other's objectives but also by shared unconscious assumptions, tacit agreements and other tangible elements concerning the fundamental principles underlying university education. These "beliefs" were accepted by people within universities and government, although not necessarily to the same degree. One of the most conspicuous of these elements was the belief that simultaneously intensive and extensive concentration on advanced

knowledge made the central task of university education unique and distinguished universities from other social institutions in which government had an interest. Promotion of this "uniqueness" and protection of it from government "interference" was a central concern of academics in the development of the universities in the 1960s.

This issue manifested itself in conflicts about the extent to which government could specify lines of expenditure, whether for capital or recurrent purposes, rather than provide block grants. Prior to the establishment of the AUC, the Committee of Inquiry into Australian Universities (the Murray Inquiry) claimed that university autonomy would be meaningless unless each university was left to "subdivide its allocation according to what it considered to be its greatest advantage".[13] It also recommended that if the Commonwealth Government wished to foster distinct developments through earmarked funds then these earmarked grants should be "merged as soon as possible into the block grants of a subsequent triennium".[14]

With the increasing regulatory controls necessary properly to account for the considerable sums involved in university expenditure was it possible for the AUC adequately to adhere to these principles throughout the 1960s?

Change in the balance between university autonomy and public accountability was also manifested in the individual and collective actions of academics. For example, academics exercised a strong influence on the direction of university development particularly through representations to government and the AUC by the Australian Vice-Chancellors' Committee (AVCC) and the Federation of University Staff Associations (FAUSA). The influence of academics could be felt within the AUC which, like its British counterpart the Universities Grants Commission (UGC), was in a sense a mechanism of compromise as the majority of AUC commissioners were chosen from the academic community. As well as this, through membership of the Australian Research Grants Committee (ARGC), academics played a major role in coordinating the development of research in Australian universities. Further, a few distinguished academics were singularly influential in advising federal ministers on aspects of national policies for university development.

In what ways did academics' views of the balance between institutional autonomy and public accountability change as a result of their involvement with government in university development and how did this influence the university view of the role of the AUC?

A final aspect of the conflict between institutional autonomy and public accountability concerned the objectives of university education. In the view of Rachel Elboim-Dror, consensus on purposes (particularly those relating to education) may be achieved or at least

facilitated if those purposes are abstract.[15] In the 1950s and until the 1960s when the Inquiry into the Future of Tertiary Education (the Martin Report) got underway there appeared to be a high degree of consensus on the objectives of tertiary level education, as it was normally associated with the traditional university. At that time the formulation of purposes was generally unquestioned and was viewed as a matter for the universities and professional educationists. This consensus was not to last. In the late 1950s the universities were small, relatively exclusive institutions, largely ignored by the mass of population. By the mid-1960s they were represented by the Martin Report as central to a tertiary education system which supplied scientific manpower and technological innovations vital for economic growth and for expanding opportunities to a rising proportion of the population. They became of crucial political importance and a major claim on the public purse.

In these changing circumstances differences appeared between government and university views as to the objectives of a tertiary education system and the purposes of universities as distinct from the purposes of tertiary institutions in the emerging colleges of advanced education sector. How did the interaction between government and university on the changing objectives of universities influence the AUC's role?

Tension 3: Statutory independence v. administrative coordination

Some tensions will almost always exist between the legitimate desires of a government to ensure the harmonizing and coordination of its operations as a whole and the equally legitimate requirements of a coordinating agency such as the AUC for the measure of independence it considers necessary to provide worthwhile advice. In coordinating university development in the 1960s, this tension became evident at two levels, government and bureaucratic.

At the government level the tension was inherent in the structure of Australia's political system. Australia shares with the United Kingdom an executive based system in which Prime Ministers, State Premiers and their Cabinets play a central role. National policies affecting the universities in the 1960s were subject to the same principles of collective cabinet responsibility as were other government measures. The government had to take into account political factors beyond the scope of the terms of reference given to the AUC, and in the light of its assessment of the political climate make judgements about its own policies for universities.

Although formally the AUC was held accountable to the

Commonwealth Parliament, in practice effective control lay with the Minister of Education and the Commonwealth cabinet. In fact, the increasing use of agencies such as the AUC during the 1960s was a prime example of the increase in the strength of cabinet and the ministers relative to the parliaments.

On many important matters not involving legislative changes, for example the appointment of members and chairmen of the AUC, the responsible minister had power with cabinet approval to appoint members. Also the minister had the power to approve certain classes of AUC decisions and to intervene more generally in statutory authority affairs in accordance with formulae established in the creating Act.

As a result of these powers, did the successive Ministers and the Cabinet intervene in AUC affairs to a degree which prevented the provision of worthwhile independent advice or did they preserve the integrity of the AUC's independent statutory role?

At the administrative (or bureaucratic) level the primary coordinating roles were shared by Commonwealth Treasury, which appraised financial aspects and the Department of the Prime Minister which coordinated the overall developments in education of the Commonwealth Government.

At that time in Britain the Treasury was deeply committed to the "buffer" principle and guarded most jealously the independent status of the UGC which from 1919 to 1963 was the direct concern of the Treasury, and until 1963 UGC staff were seconded from the Treasury. Its staff consisted of civil servants who knew the Treasury and its habits, its ways of thinking and knew personally the individual Treasury officials with whom they were dealing on the UGC's behalf. In Australia the AUC as an independent statutory authority had direct relations with the Department of the Prime Minister and after 1966 with the Department of Education and Science yet its relations with Treasury were nearly always indirect. How well did the AUC know the Commonwealth Treasury and how did the Treasury's attitude inhibit or encourage the statutory independence of the AUC?

Until 1966, the Department of the Prime Minister had an increasingly important role in planning and implementing the growing Commonwealth role in education. There was a need to integrate university and other educational development in which the Commonwealth had an interest, particularly at a time when there were large increases in the magnitude of funds for universities recommended by the AUC and there was evidence of a need for further funds to support expansion in the new colleges of advanced education sector. Did the resulting closer relations between the AUC

and the Department of the Prime Minister obstruct or strengthen the capacity of the AUC to provide independent advice?

A third aspect of the tension between statutory independence and administrative coordination was the effect on the coordinating role of the AUC of the personal influence of ministers for education, chairmen of the AUC and some senior public servants. It is asserted here that the attitudes and capacities, or 'appreciative systems", of these people were a central element influencing the role of the AUC as a coordinating agency. Heclo demonstrated in his study of the development of social policy in Britain and Sweden that at critical points social policies were most directly influenced by middlemen at the interface of various groups. He saw these men as having "transcendable group commitments in but not always of their host body". He also observed that most of these innovators and reformers were talented amateurs in the subject rather than established professionals and experts.[16] These were the people in the words of Lindblom who were the "proximate policy makers", the participants closest to the actual making of each decision and constantly involved in the process of policy-making.[17]

In support of the importance of personal influence, evidence will be brought forward in later chapters to show, for example, that Menzies, as a "proximate policy maker", in effect by-passed extended Cabinet consideration of the first two reports of the AUC and as a result allowed university development to proceed virtually untrammelled until the Third Report (1966) and that Sir Lenox (then Mr) Hewitt was determined to maintain the statutory independence of the AUC, free from influence of the Department of Education and Science.

How important was the personal influence of successive ministers for education and chairmen of the AUC on the type and extent of coordinating functions undertaken by the AUC?

Tension 4: The advisory/regulatory dilemma

The point at issue in Tension 4 is whether growth in the AUC's executive and regulatory responsibilities diluted its effectiveness as an advisory agency.

As was indicated in discussion on Tension 1, the AUC owed much of its genesis to the traditional use of intergovernmental agencies such as the Commonwealth Grants Commission, which were Commonwealth controlled and created, to try to resolve or ameliorate federal disputes. However, this does not represent a full account as the AUC possessed further qualities, particularly relating to its

regulatory role, which had their origins in the extensive and long standing use by governments in Australia of statutory authorities for a variety of purposes.

Statutory authorities, which Spann claims were probably invented in the corporation form in this country, evolved as a result of the necessity for colonial governments to become involved in the development of public utilities in order to open up a sparsely populated and geographically diverse continent.[18] This arose firstly in relation to railways which had been government owned and operated in the colonies of Victoria and New South Wales since the 1850s. Since then, governments at both State and federal level in Australia have increasingly used statutory authorities for a variety of purposes including commercial activities, marketing and commodity control, broadcasting and television, judicial review and in such areas as cultural, research and creative activities. Within this general trend, growth was smallest in the 1930s, 1950s and early 1960s, most spectacular in the 1910s, 1920s, 1940s (war and postwar reconstruction) and most of all in the 1970s.

There have been several Commonwealth Parliamentary inquiries into the need for and functions of statutory authorities. In 1954 the Joint Committee of Parliamentary Accounts of the Commonwealth Parliament, when undertaking an investigation of the activities of one statutory corporation (the Australian Aluminium Commission) acknowledged little was known of their nature and functions.[19] This lack of knowledge continued and twenty years later the Royal Commission on Australian Government Administration (RCAGA), as part of the projects needed to fulfil its terms of reference, commissioned Dr R. Wettenhall to conduct a study of the nature and purpose of Commonwealth Government statutory authorities. In the time available Wettenhall went no further than assembling a typology of statutory authorities and producing some useful general reflections on the purposes of their establishment.[20] Under Wettenhall's classification the AUC was considered a statutory advisory body. However, this classification is not entirely comfortable as it does not take the AUC's executive and regulatory functions into account.

Just as the terms "statutory authority", "statutory commission", "statutory board" and "statutory corporation" are often used to describe the same agencies, so too "commission" or "committee" are often interchangeable terms for agencies possessing similar powers and functions. In the United Kingdom where the broad equivalent of the Australian statutory advisory authority or Committee of Inquiry is often called a "Commission", there have been many more of these bodies and extensive research has been done on

them. One result has been the establishment of a typology of commissions similar to Wettenhall's classification. Although neither country has witnessed noticeable development of theoretical formulations, certain characteristics have been observed which help in explaining the difficulties facing the AUC in adjusting to its evolving role as both an advisory and executive agency.

The most obvious function such bodies have in common is to offer advice to government following a comprehensive investigation. Their major reports are generally public documents which have an important educational role in bringing to the attention of the public some of the issues involved and in stimulating suggestions for actions which in turn produce reactions from the many interests involved in the policy area. Their expertise enables the government to develop ideas with a greater degree of rationality and coherence and their advice is often of help in beginning reform activities through creating a climate for action.[21] In this sense then they are not only analytic but also catalytic in nature.

The second characteristic is that proposed in a "buffer" theory, whereby public policies in the area of grant giving are moderated by a middleman authority so that allocation to particular claimants appears to be made, as far as possible, independent of political considerations. This attribute has been used to describe both the AUC and the British University Grants Committee. In presenting evidence to the Royal Commission on Australian Government Administration the present Chairman of the Commonwealth Tertiary Education Commission, Professor Karmel, claimed this to be a special characteristic of the successor of the AUC, the CTEC:

> The Commission is in a special position among statutory bodies in being both a government agency and a "buffer" for universities between them and the government . . . it can only maintain itself as such a buffer and continue to reconcile government and university interests so long as it has the status of a separate authority acceptable to the universities.[22]

Thirdly, in education such advisory bodies have been termed coordinating agencies and three different types have been classified differing basically in terms of the location of advisory and executive functions performed. Sheffield defines these three types as follows:

Bureaucratic: advisory and executive functions are located in the bureaucracy of the responsible ministers or departments.

Advisory: advisory functions performed by an agency or agencies appointed for the purpose, while the executive function is retained by the bureaucracy.

Delegated authority: the advisory and executive functions are

located in an agency with authority delegated by the government.[23]

Delegated authority is the most favoured type in the literature due to the belief held by both governments and universities that it is desirable to protect institutional autonomy from direct political and bureaucratic interference. In relation to this classification, the AUC became a "delegated authority" which broadly speaking, discharged its executive and regulatory functions through its secretariat under the direction of the Chairman and discharged its advisory functions through the Commission.

The fourth and most significant characteristic in terms of the dilemma facing the AUC as to its appropriate role is that statutory authorities with executive responsibility need to apply government decisions made principally on advice they themselves originally provided. In this act of application new consequences emerge and in that way the statutory authorities can create policy. For example, the AUC exercised increasing controls over building standards for new projects in universities and had delegated authority, in the case of unanticipated delays, to transfer funds between projects.

Earlier this century Cardozo showed that the United States Courts were in a somewhat similar position to a statutory authority with executive power, as the Courts exercised a degree of policy-making and had to resolve conflicts between policies. For Cardozo: "... the inescapable function of the Courts in developing and even changing the law by the very process of applying it, [was] well recognised".[24] In the same way the AUC found itself increasingly in the position of making new policy, as the result of the executive actions needed consequent upon government's acceptance of previous AUC financial recommendations.

In the situation whereby the AUC's executive and regulatory responsibilities continued to increase, was it possible for it to maintain its independence as an advisory agency?

Summary

This chapter has considered the role of the AUC in the process of coordinating university development. Its role was very much governed by its characteristics as a statutory advisory authority. The AUC was the mechanism whereby the Commonwealth Government provided assistance to the State Governments in the development of universities established in the States under State Acts and yet at the same time safeguarded the fiscal interests of the Commonwealth

and promoted the development of universities in the national interest.

Formally, the powers and functions of the AUC are contained in the statute establishing it. Such documentary evidence as the establishing act, and other articles and instruments of government indicate the legal framework within which the Commission operated. They also set formal limits to its activities. The original functions of the Commission are defined in its Act of Establishment (No. 30 of 1959), sections 13, 14 and 15 of which specifically refer to functions. Formal changes in its functions are contained in the Parliamentary Acts relating to the AUC from 1959 to 1970. However, while these acts and other articles and instruments of government are essential to the AUC and the Commonwealth Government in that they indicate official intentions and policies, they are incomplete in that they say nothing about the full range of possible activities and relationships of the parties involved, or about the subtleties of influence as opposed to the distribution of formal powers. During the 1960s, the changing role of the AUC as a coordinating agency in university development depended not only on the statutory powers contained in the establishing act and associated documents but also on:

1. The changing balance between national needs and States' rights in the 1960s;
2. The mutual adjustment of academic and government forces in the development of universities;
3. The evolving relationships between the AUC and the relevant parts of the Commonwealth bureaucracy;
4. The personal influence of "proximate policy makers" over the functions of the AUC;
5. The AUC's changing interpretation of its advisory and regulatory responsibilities.

It appears that the Commonwealth Government had two principal reasons for establishing the AUC. The first was to ensure that assessments of educational needs in the sensitive area of intergovernmental relations were systematic, impartial and objective. The second reason was that, although the advisory authorities such as the AUC were in a sense intergovernmental agencies, through their statutory nature their control by the Commonwealth Government was assured.

The AUC owed some of its origins to the Commonwealth Government's need to create intergovernmental agencies as a means of surmounting constitutional obstacles to "cooperative federalism". On all such agencies the Commonwealth had the dominant voice. The

Commonwealth Grants Commission, probably the best known of these agencies, lent itself as a model for the AUC. Like the Grants Commission, the AUC had the responsibility of assessing financial needs. It was expected that the AUC would provide fiscal equality among the universities without challenging individual university independence. It would thus provide maximum opportunity for diversity of development.

The AUC also partly originated in the extensive use of statutory authorities by governments in Australia. The AUC had much in common with statutory advisory authorities and with agencies such as the United Kingdom's Royal Commissions or Committees of Inquiry. Like these agencies, the AUC was established to undertake systematic, impartial and objective inquiry. As a coordinating agency with delegated authority for both executive and advisory functions the AUC was constantly in the position of creating new policy as a consequence of its executive actions.

Most of the remaining parts of this book provide evidence to support the assertions made in this and the previous chapter by considering the functions of the AUC as a coordinating agency from 1959 to 1970. Among its many activities during that period, the AUC wrote four major reports incorporating its financial recommendations for universities during each sucesssive triennium. Its subcommittees undertook inquiries, the most well known of which were into academic salaries, the teaching costs of medical hospitals and the future of tertiary education. Each of these inquiries produced recommendations which exerted a powerful influence over the future role of the AUC and the direction taken in the development of tertiary education.

As an overture to Parts II and III, Diagram 2, Profile of the AUC showing Major Reports, Chairmen and Ministers, 1959-1970, is presented below. From 1959 to 1969 three ministers successively were directly responsible for Commonwealth involvement in education matters and there were three chairmen of the AUC. Diagram 2 is a graphic representation of the major reports of the AUC, and the terms of office of the Ministers and Chairmen during the decade. At the commencement of Chapters 8, 9 and 10 in Part III a similar diagram is used. Each of these chapters serves as an auxiliary case study providing significant evidence of the AUC's changing role in one of three major areas of university development: research in universities, academic salaries and the planning of tertiary education.

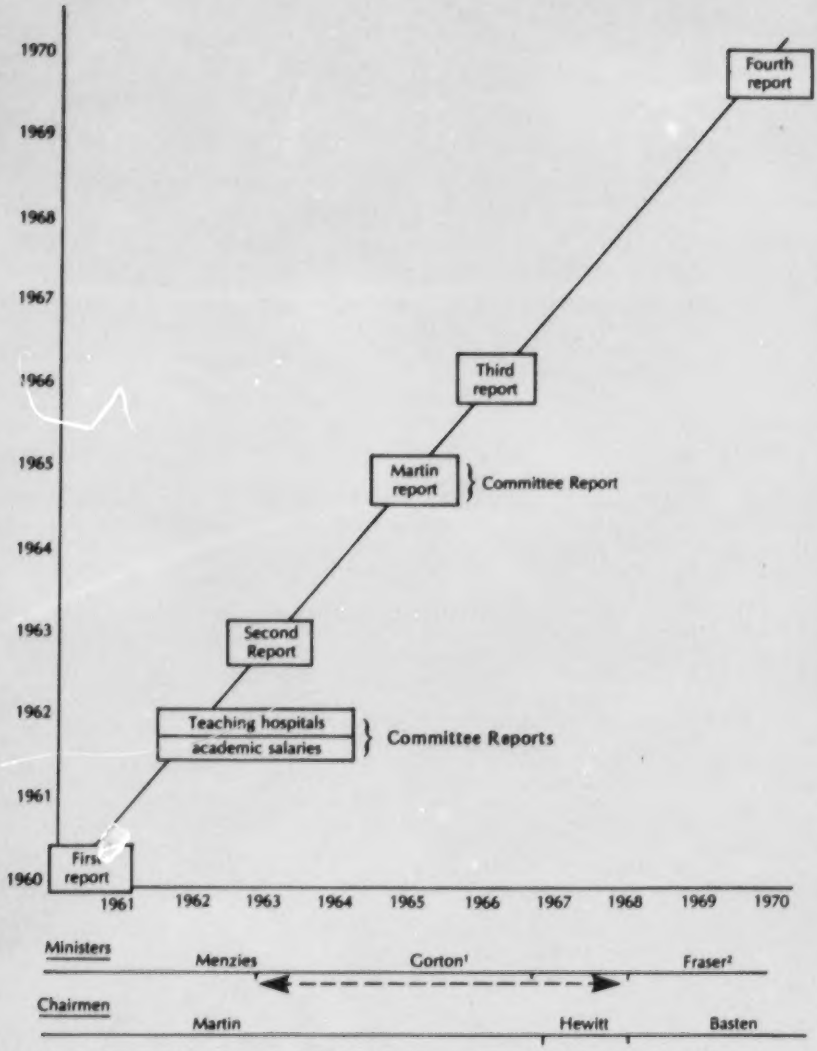

Diagram 2. Profile of the AUC showing Major Reports, Chairmen and Ministers 1959–1970.

Note 1. From 1963–1966, Gorton was Minister-in-Charge of Commonwealth activities in Education and Research under the Prime Minister.

Note 2. On 18 November 1969, the Rt. Hon. Nigel Bowen became Minister for Education and Science.

Notes

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18. R. N. Spann, *Public Administration in Australia* (Sydney: NSW Government Printer, 1973), p. 192.
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20. Royal Commission on Australian Government Administration. *Appendix Volume 1-1k: Statutory Authorities* (Canberra: AGPS, 1976), pp. 312-75. This work is being extended in: The Parliament of the Commonwealth of Australia. *Senate Standing Committee on Finance and Government Operations*, "Statutory Authorities of the Commonwealth", First Report December 1978, Second Report October 1979, Parliamentary Papers 1/1979, 285/1979 (Canberra: AGPS, 1979).

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22. P. Karmel, *Evidence to the Royal Commission on Australian Government Administration*, provided on 31 October 1974, typescript, copy in possession of author.
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PART II

Evolution of a Coordinating Agency

4
Origins and first steps: 1945–60

Some thirty years ago, as Australia was adjusting to the aftermath of the upheaval caused by World War II, the country's eight universities and three university colleges faced serious problems. Increasing costs and enrolments were matched by the possibility of Commonwealth withdrawal from university funding once its retraining responsibilities for ex-servicemen had been discharged. For several reasons this possibility did not eventuate and from 1950 to 1959 the Commonwealth Government continued to provide funds on a matching basis to the States for their universities.

During these years several significant events occurred which led to the initiative of the Prime Minister, Sir Robert (then Mr) Menzies, who had a singular interest in the future of universities in Australia, to establish the first national public inquiry into Australian universities. The report of this inquiry in September 1957 became known as the Murray Report. Since these events moulded the future functions and laid the foundations for the establishment of the AUC in April 1959, they are now explored in detail.

Origins of the AUC

The precursor to the AUC was the Universities Commission (UC), established by the Commonwealth Government during World War II by a regulation made under the National Security Act in 1943. During the war years the UC worked in conjunction with the Department of Manpower to advise on reservation from active service of certain categories of students. The UC had administered a scheme of financial assistance for those students for specific courses of study designed as necessary for the war effort. Postwar, it continued. Its prime administrative function was to assist in the rehabilitation of ex-servicemen through modifying and expanding the schemes of financial assistance which had operated during the war years. At the same time, the UC became the federal government's principal advisory agency on university education in the Australian States. It was through the original UC that the Commonwealth Labor

governments of the period developed a policy for a federal role in tertiary education in Australia. As Tannock has observed, the existence and work of the UC served as an important precedent in the establishment of the AUC:

> The first UC . . . although temporary in design, became a permanent body and was a major force in guiding the Commonwealth in those early initiatives in tertiary education which were the beginnings of its wide-ranging and later commitments at this level.[1]

The original UC had no supporting staff. It consisted of the Director of the Commonwealth Office of Education (COE) who was ex-officio Chairman and three other members appointed for periods no greater than three years. Among the functions bestowed on the COE through the Education Act of 1945 was the task of advising the Prime Minister: ". . . concerning the grant of financial assistance to the States and other authorities for educational purposes".[2] From 1945 to 1948 the COE was the main source of advice to the Commonwealth Government for grants of financial assistance to the States for universities. Although the UC was, in accordance with the same Act, charged with arranging: ". . . as prescribed, for the training in Universities or similar institutions for the purpose of facilitating the re-establishment of persons who are discharged Members of Forces . . .",[3] it was the COE which arranged and supervised the actual training and payments of benefits to students under the Commonwealth Reconstruction Training Scheme (CRTS) and associated schemes.

By the end of 1948 extensive research by the UC and strong representation to the Commonwealth Government from universities and senior Commonwealth public servants had convinced the Labor Prime Minister, Mr Ben Chifley, and his cabinet, that an investigation was needed into the funding of universities and into the establishment of a permanent comprehensive scholarship scheme for university students. As a consequence of this need, in 1949, Professor R. C. Mills, Director of the COE and Chairman of the UC, was appointed Chairman of a Commonwealth committee on the needs of universities, later to become known as the Mills Committee.

The Labor Party was defeated in the 1949 national elections by the Liberal-Country Party coalition. However, the new Prime Minister, Mr Menzies, continued the inquiry but modified its terms of reference. The Commonwealth Government was anxious to act quickly as the universities' needs appeared critical due to large increases in costs. Hence the Mills Committee submitted an interim report on 17 August 1950. However, the subsequent legislation on

the Report was delayed for some fifteen months as the State Governments took a long time to agree to the conditions attached to the proposed grants. Then, on 21 November 1951, the States Grants (Universities) Bill was passed. It marked the foundation of broad based Commonwealth financial assistance to universities.

The Interim Report of the Mills Committee was important to the future coordinating functions of the AUC for two reasons. First, it acknowledged the need for the Commonwealth to assist universities on a broad scale. Although the Committee recognized that the States should accept primary responsibility for and have primary interest in the universities, it was of the opinion also that the work of the universities generally was closely connected with certain major responsibilities of the Commonwealth Government. As an example of this, the Committee pointed to the long standing Commonwealth financial support in universities for the promotion of original research work and for the training of research workers. The Mills Committee felt that:

> . . . in view of the national importance of the development of universities, the Commonwealth Government is justified in extending its interest in the work of the universities and in association with the States, in accepting further responsibilities.[4]

The second reason why the Mills Report was important was that it established a formula for financial assistance in the form of a specific purpose grant to the States which bound them to provide a maximum matching grant. It was this matching formula which became the corner-stone of Commonwealth influence in the development of universities in the 1960s. According to Mathews, a research scholar of Australian federation, Professor Mills imposed matching conditions because he was sure that the States would not give sufficient support to universities merely if the Commonwealth provided an increase in general purpose funds.[5] Mathews claims that it was Mills more than any other person who determined the direction and shape of the Australian federal system during and after World War II. There is some evidence to support this view. Mills was Chairman of the Committee on Uniform Taxation (1942) and the recommendations of that Committee led to the introduction of uniform income taxation and the system of general revenue grants which dominated Commonwealth-State financial relations after 1942. Mills was Chairman of the Commonwealth Grants Commission during 1944, and he and his colleagues changed the basis of special (equalization) grants by developing new methods of calculating state taxable capacity so that they favoured the less affluent States. And finally, it was Mills and his colleagues on the first Commonwealth

committee on Australian universities who worked out:

> . . . a methodology for the assessment of specific purpose grants from the Commonwealth to the States, a development that was to change the whole basis of public sector decision-making.[6]

The Mills Committee recommended "first level" grants based on weighted student numbers to enable universities to meet existing commitments and "second level" grants to enable universities to develop their services and research and raise academic standards. Both level grants were on the basis of £1 for every £3 received by a university from fees and State grants above the income qualifying for the first level grant. In one sense, this scheme preserved the connection between the universities and the State Governments as the Commonwealth grant was paid to the State Treasury in each case. In another sense, it was the key to an increase in the fiscal power of the Commonwealth over the direction of university development.

Although it was widely believed that either a permanent Commission or a long range investigation into universities in Australia would follow the Mills Report, this did not eventuate and until the end of the 1950s arrangements for Commonwealth financial assistance to the States for universities were improvisations developed as a result of the 1950 interim report. Until 1956, there was little increase in the number of students attending universities. In 1948 the student population was 32,500 and then it steadily declined to 28,800 in 1953 as CRTS students concluded their studies. But it was not until the end of 1956 that student numbers again exceeded the 1948 figure.

From 1950 to 1959, the Commonwealth Government, through the COE which administered the scheme of matching grants recommended by the Mills Committee, continued to make long term arrangements on the basis of an emergency plan. Throughout this period the COE tried to maintain an equitable basis for funding universities through what were termed "equivalent full-course enrolments" calculated at each university, calculations which took into account a weighting factor depending on the type of faculty and running costs and made adjustments on the basis of university size.

A second event of significance in the establishment of the AUC was a report in 1956 of the Joint Committee of Public Accounts of the Commonwealth Parliament. In 1956, the Joint Committee made an inquiry into the functions and responsibilities of the Commonwealth Office of Education (the COE). Its report noted the absence of an appropriate permanent mechanism to provide advice to the

Commonwealth Government on assistance to universities.[7] From 1952 to 1961 the Joint Committee had as its Chairman Professor F. A. Bland, who formerly held the Chair of Public Administration at the University of Sydney. Bland dedicated much of his time and effort as a Member of Parliament to this Committee and under his chairmanship it became a very effective instrument of review and control for the Commonwealth Parliament. Its duties included examining the accounts of receipts and expenditures of the Commonwealth and also each report and statement of the Auditor General and then directing the attention of the Parliament to any matter the Committee thought necessary.

The inquiry into the functions and responsibilities of the COE was important for three reasons. First, the Joint Committee's report showed that doubts existed that the COE was the agency which should in the future provide advice to the Commonwealth on financial assistance to the States for universities. The Joint Committee was not satisfied that in the past sufficient parliamentary and government controls had existed to limit the scope of the COE, or that since the early 1950s the COE had acted with sufficient restraint in carrying out its tasks:

> From the performance of the specific duty of arranging the CRTS the Office has been invited to undertake and has been clothed with authority to discharge a very wide range of functions because they embrace something of an educational character . . .
>
> Organisations such as the Office of Education which have no closely defined sphere of activities are prone to expand beyond what might be regarded as a reasonable size.[8]

Second, the Joint Committee's support lent weight to a growing view that governments, particularly at Commonwealth level, could not withdraw from further and even greater financial assistance to universities, particularly in view of the apparent lack of fiscal capacity of the States to accommodate the predicted growth in university enrolments and increasing costs. In the opinion of the Committee, the Commonwealth would find it necessary to contribute a growing proportion of the funds needed as it was "inextricably associated with the provision of funds for universities".[9]

Third, the Joint Committee stressed the urgent need for a wide ranging inquiry into universities in Australia. It recognized that the COE as a government instrumentality recommending grants for universities occupied a somewhat similar position to the Universities Grants Committee (UGC) of Great Britain. However, the Joint Committee cautioned against blind acceptance of the UGC as a model. It felt that as the UGC operated in the British unitary system of gov-

ernment, a model based on it might not adapt as a direct transplant into Australian federalist soil. The Joint Committee recommended a full inquiry into universities' funding including an investigation into the best type of agency for operating a scheme of financial assistance.

Another important circumstance leading to the establishment of the AUC came from representations to the Commonwealth Government, particularly to Menzies as Prime Minister, from prominent members of the scientific and academic community. These people emphasized the great need for Australia to be more self-sufficient in sceintific research, a need which they felt could be largely met by improving the capacities of Australian universities.

Two examples of these representations are as follows. In August 1952, Sir Ian Clunies Ross, Chairman of the Commonwealth Scientific and Industrial Research Organization (CSIRO) delivered an oration on the occasion of the centenary of the University of Sydney[10] in which he analysed the role of university and of science both in Australia and abroad; he concluded with a discussion of the serious problems of Australian universities. In January 1953, Clunies Ross sent a copy of this address to the Prime Minister. A second example is that in 1954 the Australian National Research Council (the predecessor of the Australian Academy of Science) organized a symposium in Canberra under the chairmanship of the highly respected Chief Justice of the Commonwealth, Sir Owen Dixon. At the symposium the plight of universities was discussed and subsequently the President of the Australian National Research Council, Professor A. P. Elkin, wrote to Menzies emphasizing the difficulties facing universities.

While these events were occurring in Australia, throughout the British Commonwealth there was a marked increase in the degree of government dependence on various coordinating agencies in university development.[11] In Britain the UGC, which had been established in 1919, had its terms of reference revised in 1946 and further amendments were approved in 1952, to make it more broadly responsible for the coordinated development of universities in the UK. India reconstituted its Universities Grants Commission in 1956 by providing it with wider powers for recommending financial assistance. New Zealand had in operation a University Grants Committee with extensive and growing coordinating powers. Pakistan commenced plans for establishing a Universities Grants Commission and eventually established it in 1960. The two conspicuous exceptions to these movements elsewhere in the Commonwealth were Canada and Australia. The Canadian federal government was reluctant to accept financial needs of universities as a direct national responsibility. As the balance of fiscal power remained with the

Canadian Provinces and some Provinces, particularly Quebec, wished to maintain separate control over their universities, no national agency was established. In Australia, as has been described, from 1950 to 1957, subsequent to the Mills Report, federal financial assistance to universities continued on an *ad hoc* basis, with Commonwealth matching grants to State universities being made through State Treasuries. (For supporting data see Table 2, p. 72.)

In summing up these developments, the origins of the AUC can be seen as strongly related to a number of events. First, the work of the early UC and COE legitimized a Commonwealth role in university development in Australia. Second, the obvious large increases in costs, the very large predicted expansion in enrolments and the growing fiscal power of the Commonwealth Government *vis-à-vis* the States, inextricably bound the Commonwealth into further funding of universities. Third, through accepting the recommendations of the Mills Committee, the Commonwealth established across-the-board support for universities and commenced the payment of specific purpose grants for tertiary education. Fourth, the report of the Joint Committee of Public Accounts on the COE added weight to the belief that a review of Commonwealth funding strategies for universities was necessary. Fifth, specific encouragement was given to Menzies by leaders of Australia's scientific and academic community to conduct an appraisal of Australian universities in research. Sixth, with the exception of Canada, the climate of development in tertiary education in other parts of the British Commonwealth generally favoured the establishment and development of coordinating agencies and the provision of greater financial help to universities. It was this chain of circumstances which set the stage for Menzies' decision to establish a committee of inquiry.

The Inquiry into the future of Australian Universities

In early 1957, convinced that the time was ripe, Menzies approached Sir Keith Murray, Chairman of the British Universities Grants Commission (UGC) to ask him whether he would conduct an inquiry into Australian universities. Murray had been suggested to Menzies as the right man to lead an inquiry by both the AVCC and senior officers of the Prime Minister's Department. At first Murray was diffident about undertaking such an important task outside the political and social setting with which he was so familiar. After consideration, he then agreed on the condition that someone from a British university would accompany him. Sir Charles Morris, Vice-Chancellor of the University of Leeds was chosen to serve in this role.[12] The Austra-

lian members of the committee were: Sir Ian Clunies Ross, Chairman of CSIRO, Sir Alex Reid, Chancellor of the University of Western Australia and a member of the Commonwealth Grants Commission, and Mr J. C. Richards, Chairman of Broken Hill Proprietary Limited (BHP). It was the report of this inquiry (known as the Murray Report) which provided Menzies with the evidence he needed to convince his cabinet colleagues that it was necessary to establish a permanent agency to coordinate university development in Australia.

The key terms of reference of the Murray Inquiry were to investigate such matters as:

1. The role of the university in the Australian community;
2. The extension and coordination of university facilities;
3. Technological education at university level; and
4. The financial needs of universities and appropriate means of providing for these needs.[13]

It is important to remember that when the Murray Committee commenced its work, education at the tertiary level in Australia was a smaller and less complex enterprise than it has since become. In the setting of 1957 there was little meaning in talk of a national system of tertiary education. Except New South Wales where there were three universities, in each State a single university existed. At non-university level a small number of teachers' colleges, institutes of technology, technical colleges, agricultural colleges and other institutions came under the immediate control of respective State Government Departments or occasionally of Church bodies or private bodies. The Commonwealth Government had direct responsibility for only two institutions, located in Canberra – the Australian National University and Canberra University College.

To illustrate the size and number of universities in Australia in 1957, the dates of foundation and the enrolments of Australian universities which existed both in 1957 and 1977 are shown in Table 1. In 1957 the total recurrent budget for Australian universities was less than £12 million, of which one-third was contributed by the Commonwealth.

Early agreement was reached among the members of the Murray Committee that they should concentrate their efforts on obtaining a broad picture of what sort of university development was required in the national interest. This picture would then act as a basis for the establishment of capital costs of development for the next decade, to be met by joint Commonwealth/State contribution and as the foundation for the future work of a permanent committee. They felt too that due to the emergency situation facing universities in

Table 1. Australian Universities: Dates of Foundation and 1957 and 1977 Enrolments*

University	Date of Foundation	Enrolments*	
		1957	1977
University of Sydney	1850	8,303	17,667
University of Melbourne	1853	7,916	15,796
University of Adelaide	1874	4,759	9,345
University of Tasmania	1890	1,033	3,525
University of Queensland	1909	5,615	18,517
University of Western Australia	1911	2,376	9,865
Australian National University	1946	67	5,893
University of New South Wales	1949	5,246	18,520
University of New England	1954	1,171	8,014
Canberra University College†	1930	396	—
Total		36,882	107,142

* These figures include full time, part time and external students.

† In 1960 Canberra University College became part of the Australian National University.

Source: University Statistics, Australia 1957, A77 (Bureau of Census and Statistics, Canberra), 1977.

general it would be necessary to make financial recommendations for a "first-aid" programme.[14]

In its early weeks, the Committee obtained an opinion from the Commonwealth Solicitor-General, Professor K. Bailey, on the possible constitutional and legal difficulties of Commonwealth involvement in financing universities. Bailey raised the following four considerations in reply:

1. The Commonwealth's right to make grants to a State for a particular purpose probably could not be challenged, particularly as a result of the High Court's ruling in favour of the Commonwealth in the Roads Tax Case (1955).
2. A brief to estimate the needs of universities was more doubtful but would probably be considered incidental to the grant.
3. A proposal to coordinate university development would probably need States' consent.
4. Bailey felt that though there was probably no need to have legislation to set up a committee, it would probably be desirable. In his view, the financial appropriation for such a purpose would need annual legislation.[15]

The Committee was impressed with the record of the Commonwealth Grants Commission as an agency providing advice on the financial needs of the States to the Commonwealth Government. They noted that although the federal Parliament did not have to accept the recommendations of the Grants Commission, it had not varied the recommendations made in the twenty-three reports submitted. They felt that there was much to learn from the Commonwealth Grants Commission as there was:

> . . . no other Australian Committee or Commission with the similar function of recommending payment of Commonwealth grants to State governments [which] has achieved the success of the Grants Commission in gaining the full confidence of a succession of Commonwealth governments while retaining the confidence of State governments.[16]

Several personal observations made by Murray during the life of his Committee serve as useful insights into the way he saw a potential universities advisory body operating in Australia. First Murray felt that his own universities' organization, the UGC, owed its success to its ability to avoid a head-on collision with the Treasury.[17] Second, it was Murray's view that a separate research committee was needed. Third, it was initially his view that salaries issues should not be within the control of a proposed universities committee as salaries estimates ought to be made independently of triennial estimates. (As will be shown in Chapters 8 and 9, despite Murray's initial impressions these last two issues, research and academic salaries, were to become significant concerns of the AUC.)

Views expressed to the Murray Committee

The States were unanimous in their support for the establishment of a permanent national advisory committee on universities. For some years State Treasuries had been disinclined to interfere with academic proposals submitted by universities lest their intervention be interpreted as an encroachment on university autonomy. State officials were conscious of their own lack of technical and professional expertise either to assess proposals for academic development or to judge the merits of any university's specific building plans. State Treasuries generally were of the view that the advice of a national committee would be of immense help to them. This view of the States was acknowledged in the Murray Report:

> For these reasons, they considered that the existence of an expert and responsible advisory body, enjoying the confidence of the

> universities, to which they could turn would relieve them of embarrassments which they felt were likely to increase rather than diminish.[18]

Another underlying reason reinforced this attitude. State Treasuries were hopeful that the additional Commonwealth finance for universities would provide greater flexibility to their restricted State budgets.

Strong and influential views were expressed to the Murray Committee by the Australian Vice-Chancellors' Committee (AVCC). In fact, continual support from the AVCC provided impetus to and channelled the direction of some of the Committee's recommendations. For example, much of the substance of the arguments and recommendations of the AVCC as reflected in its paper *A Crisis in the Finances and Development of the Australian Universities*[19], appear in the Murray Report. In its submission to the Murray Committee, the AVCC argued that the existence of a federal system in Australia had created funding problems for the universities. The AVCC recognized that, theoretically, the universities were State founded and funded. Yet, as State budgets had become increasingly unable to support universities, it seemed inevitable that the Commonwealth would need to provide even greater financial assistance. The AVCC wanted assurance that Commonwealth support would not lead to Commonwealth control and that university autonomy would continue to be upheld. To guarantee such a situation, they suggested the establishment of an agency similar to the UGC.[20]

Individual universities lent weight to the AVCC view. For example, in a memorandum to the Murray Committee the Australian National University pointed out that the main argument for the establishment of an advisory agency with extensive functions was that the problems facing universities were of such a magnitude and character that government (both Commonwealth and State) and the universities needed to collaborate in the closest possible way in dealing with them.[21]

Finally, the Murray Committee sought the comment of public servants on the question of future funding of universities by the Commonwealth and the possible mechanisms for such funding. One such public servant was the Director of the COE, Mr W. J. Weeden, who had participated in the growth of Commonwealth involvement in education since 1945. He felt there ought to be little increase in Commonwealth participation in this area of State responsibility as in his view on both constitutional and educational grounds the Commonwealth could not contribute more than the States to universities.[22] Weeden was unenthusiastic about the establishment

of a form of statutory commission; he felt that the government agency needed would only operate flexibly if established as a committee:

> I think the Committee's terms of reference could well be very general. The Committee would probably function best if, like the UK Committee, it was not based on legislation but rather on Government decision. This would give greater freedom for the modification of its terms of reference in the light of experience.[23]

Chief features of the Murray Report

The Murray Report of September 1957 provided a new emphasis to the role of the university in the community and in national development and gave fresh prupose to government support of universities. The Report produced guidelines for a partnership between university and State and led to a major increase in Commonwealth funding.

Even though universities had fared better than many other claimants in the allocation of State resources from 1951 to 1957, the Murray Committee was convinced of the urgent need for an increase in financial support for them. The Committee felt that immediate action was necessary if the position was not to worsen significantly.[24]

The Commonwealth Government accepted the Murray Committee's financial proposals. Immediate effect was given through emergency grants of £4.5 million for the period 1958-60 allocated according to the Committee's own judgement of each university's recurrent needs with separate recommendations for the two Canberra based institutions, the ANU and Canberra University College. The Committee deliberately left to the proposed agency the further consideration of the existing formula for Commonwealth grants to the States for recurrent expenditure. As well as the emergency recurrent grant for the period 1958-1960, the Committee recommended £12.4 million for capital expenditure.

In the view of the Murray Committee planning for universities could no longer be "confined within the boundaries of one State".[25] Since a formula approach to financing was untenable, as State and individual university differences had to be taken into account, there was a need for a universities grants committee. Commonwealth intervention was justified by the inadequacy of State Government funds available and the conviction that what the Commonwealth Govern-

ment required from the universities, "in contra-distinction to the States' requirements, has increased and is likely to increase still further in the years ahead".[26] The proposed establishment of a committee meant greater Commonwealth involvement which in turn implied greater Commonwealth interest in and direction of expenditure.

The Murray Committee proposed not a commission but a committee similar to the UGC to provide consultation and negotiation, and to protect government interest yet leave universities as free from interference as possible. It would function best not as a statutory body but as a non-statutory advisory body to the Prime Minister with a secretariat within the Prime Minister's Department. The functions of the proposed committee would encompass not only advising the Prime Minister on the financial needs of the universities for recurrent and capital grants but also on academic salaries, superannuation and pensions, staff establishment patterns, university fees, the foundation of new institutions and specialization of certain institutions in certain fields.

The Murray Committee saw the need to transform individual universities into a system of universities. The Murray Committee's strategy was to establish a policy-making arrangement involving the individual universities, the AVCC, the new advisory committee and the seven governments. The committee argued for coordination and rationalization and concluded that: " . . . We do not believe that the federal system of government creates insuperable obstacles to the successful working of joint Commonwealth-State enterprises."[27]

The Murray Report laid the foundation for the future coordination of Australian universities. The main inputs came from State Governments' willingness to see a coordinating agency established and with it the provision of more Commonwealth funds for universities, and from university interests expressing similar wishes – as long as individual university autonomy was maintained. Although it is significant that the Report was commissioned by the federal Government and by the Prime Minister in particular, nevertheless universities were to be funded partly by the Commonwealth and partly by the States. Consequently, the Murray Report recognized that one of the proposed committee's measures of success would be the extent to which it established harmonious relations with Commonwealth and State Governments and individual universities.

Menzies' hopes for a Universities Commission

In terms of the theoretical formulations introduced in Chapter 2,

Menzies, through his personal commitment to improving the welfare of universities in Australia, was the catalyst or key "proximate policy maker". It was his actions more than those of any other individual which brought the Murray Committee into being and it was the spark of his enthusiasm which brought its report to life. Menzies described the Murray Report as "brilliant and provocative", as representing a "new and brighter Chapter" in the history of Australian universities and "a new charter" for the universities.[28] He saw in the Report the chance to convince his cabinet colleagues to take up the opportunity to revive Australian universities.

The immediate result of the Murray Report was the provision of emergency grants for Australian universities. But consideration of the type of permanent Commonwealth agency took longer. Menzies knew he had a cabinet that was not going to support readily greater Commonwealth participation in the development of universities in Australia. The remarks of an AUC commissioner sum up the mood at the time:

> At that time I regarded the formation of the AUC and its mode of operation not so much as an expression of Commonwealth policy but as the result of a very deep personal interest in the universities by Menzies who by the force of his own personality brought Cabinet along with him.[29]

The political climate in Australia in 1958-59 would have helped Menzies fulfil his wish. Since the early 1950s the Liberal-Country Party coalition had continued to increase its working majority in the Commonwealth Parliament and by 1958 the Government was in a secure position with little danger of being replaced by the Labor Opposition. At the federal election of 22 November 1958 the Government was returned with an increased majority of 32 compared with 28 in the previous parliament.

As well as a secure political position, a decision of the High Court of Australia smoothed the path. In 1957, the States of New South Wales and Victoria, dissatisfied with their share of taxation revenue and of the balance of financial power, appealed to the High Court of Australia in an attempt to identify a point beyond which the Commonwealth Government's imposition of conditions on grants of financial assistance to the States would be improper and invalid. In what became known as the Second Uniform Tax Case, the High Court upheld its earlier decision of the Uniform Tax Case of 1942. According to the present Chairman of the Commonwealth Grants Commission, the resulting implication was that:

> Henceforth it would be within Commonwealth's power to create a situation of need, and use that situation as the basis for making

> a grant of financial assistance upon conditions which the Commonwealth would have no direct power to impose or implement.[30]

Menzies' deep grasp of Constitutional issues would have reassured him that the decision of the Second Uniform Tax Case reduced the possibility of a constitutional challenge by the States to any Commonwealth decision to provide further specific purpose grants to universities.

Government acceptance of the Murray Report was met with great acclaim by the AVCC. Conscious of the dominant role of Menzies in bringing it to fruition, the AVCC wrote to him in February 1958 saying, "your personal interest in our welfare has put new heart into us all".[31] Members of the AVCC gave Menzies every assurance they would renew efforts to strengthen their national organization in order to assist the proposed new agency and at the same time protect academic freedom. In the same letter the AVCC suggested that a chairman for the new committee be chosen from one of three eminent overseas academics (two British and one Canadian) and that there be five Australian academic members. Among those proposed as members was Sir Leslie Martin, Professor of Physics at Melbourne University.

The opinion of the AVCC that an overseas chairman ought to be appointed did not alter the determination of Menzies and his advisers to choose an Australian as chairman and by the middle of 1958 Sir Leslie Martin had been approached and had accepted. In the years ahead, especially from 1959 to 1964, the working relationship between Menzies and Martin was extremely close. In many matters, for example, the selection of members for the Committee on the Teaching Costs of Medical Hospitals, Martin appeared to have Menzies' complete trust. Until 1965, when the AUC moved to Canberra, its office was adjacent to that of Menzies in the Melbourne Commonwealth Offices. In such an atmosphere it was not difficult for both men to be fully informed of current events of mutual concern.

Although the Murray Committee had recommended a universities' committee, Menzies had a different agency in mind. To bring his hopes for universities to fruition, Menzies wanted an agency which had statutory responsibilities wider than the undeniably important task of recommending financial assistance. Menzies saw as one of its most important functions that of coordinating the balanced development of universities, so that their resources would be used for the greatest possible advantage to Australia. In this sense he saw the future AUC as a coordinating agency with statutory powers.

Evidence supporting this view is found in his description of the new agency to a conference of State Health Ministers held in April 1959:

> We are not going to call it a grants committee. I think that this is not a happy name. We are going to call it the Australian Universities Commission. I did not like the word "grants" because it seemed to indicate that the Commission's only function was financial whereas, of course, its functions will be wider that that – to coordinate the work of the universities to avoid avoidable overlapping, to push somebody here and hold somebody back there, and to get the overall pattern of university training in Australia brought into the most useful shape.[32]

A further important reason why it was likely that Menzies decided on the statutory authority form was to allow the AUC's financial proposals to be made outside the Commonwealth's annual budgetary process. In this way, the recommendations would not be subject to Commonwealth Treasury argument that the proposals needed to be reduced in terms of other government priorities as represented in the annual budget.

It was not long after Menzies' conference with State Health Ministers that the Treasurer, Mr Harold Holt, in the absence of Menzies who was overseas, introduced the Bill to establish the AUC into Commonwealth Parliament. It is of significance to observe the phrasing of the Bill. On the one hand it allowed the AUC to be seen as an agency through which Commonwealth financial assistance could be offered to the States in a way which recognized the States' traditional responsibilities in education:

> . . . the proposed Commission will be something of an experiment in cooperation between Commonwealth and State Governments and the Universities. It will not be a body of coercion; its whole success will depend on its securing the confidence and trust of all those who are interested in the universities. . . .[33]

On the other hand the Bill stated that the AUC was to be a Commonwealth agency with the function of giving advice to the Minister – the Commonwealth Minister.

The AUC was established on 7 May 1959 and held its first meeting early in July 1959. For its first three years the Commission consisted of Sir Leslie Martin as full time Chairman and four part time members, two of whom were chosen for their expertise in university and academic affairs and the other two for their business and administrative experience. The Commission was served by a small secretariat.

Initial reactions of the States

By and large, Commonwealth relations with the States on university matters to the end of 1960 were governed by the States Grants (Universities) Act 1958. For the first few months of its existence, this left the AUC with less than complete formal responsibility, as the administration of that Act remained the responsibility of the COE until July 1960. Nevertheless, its responsibilities very rapidly increased. During its first eight months the AUC was concerned with the appointment of a committee to investigate the teaching costs of medical hospitals and the appointment of a committee to investigate academic salaries. The AUC also began its series of visits to universities and the States in preparation for the First Report.

The AUC's First Report, published in October 1960, proposed a doubling of State and Commonwealth Government assistance to universities during the triennium 1960-1963. In fact, Commonwealth assistance to State universities rose from £20.5 million for the 1958-60 triennum to approximately £40.8 million for the 1961-1961-63 triennium. A good deal of the large upsurge in this predicted and inevitable expenditure was due to new university development by the States both on established campuses and on new ones such as that of Monash University.[34]

In preparing its First Report the AUC's close relationship with State Treasuries permitted the exchange of frank opinions on the role of the Commonwealth in funding universities and on the nature of submissions to the AUC from universities. The relationship allowed the AUC to be fully conversant with each States' plans for new universities and proposals for major capital works in established ones. In relation to the issue of university autonomy the South Australian and Tasmanian Treasuries, for example, were of the view that irrespective of their own judgements as States' instrumentalities as to the accuracy of individual submissions, they had no wish to interfere with each university's right to present them to the AUC.

It needs to be emphasized that although States were eager for increased Commonwealth financial assistance to their universities they did not wish to relinquish responsibility for them or to consider them as anything other than their own universities. Throughout the decade senior State officials continued to exercise a prominent and highly esteemed role in the development of universities. For example, a Western Australian AUC Commissioner observed the importance to university development of the State Under-Treasurer (Mr Townsing) who was also a member of the Senate of the University of Western Australia:

> As a commissioner and also as a person involved in university life I thought the AUC derived quite a lot from the fact the States had their responsibilities and in my experience took a great interest in the universities. In Western Australia very often the Vice Chancellor would go along and have a talk with Townsing and Townsing was always extremely helpful.[35]

Two other State officials with considerable influence in university development both in their own States and, through their close association with the AUC in the national development of universities, were the Permanent Head of the Victorian Treasury, Sir Ernest Coates and Mr G. F. Seaman, State Under-Treasurer in South Australia. Coates, in particular, after his appointment as a Commissioner in November 1968, was able to help maintain a balanced States' viewpoint throughout the deliberations of the AUC.

Initial reaction of Commonwealth Treasury

Just as the AUC had a good rapport with State Treasuries, so too initially it had direct and close relations with the Commonwealth Treasury. At that time the Treasury, as the Commonwealth Government's financial coordinator, was prepared to extend a great deal of trust to the AUC, particularly as they knew that States' consent was needed to match any financial proposals of the AUC. As an example of this trust, early in the preparation of its First Report in April 1960, the Chairman of the AUC, one commissioner and the secretary had a preliminary discussion with Commonwealth Treasury representatives. Aware of its own shortcomings in being able fairly to assess certain university needs, the Treasury displayed confidence in the capacity of the AUC to present realistic proposals. The impression left with the AUC delegation was:

> We had a satisfactory discussion with the Treasury representatives. Naturally, most of our discussion centred around the recurrent grant for 1961/63 . . . . The Treasury had no comments on our capital building program proposals, and as for our proposals for residential colleges and equipment, they said that we were the experts and implied that our recommendations would be acceptable.[36]

After the First Report such direct discussions were not repeated. Throughout the remainder of the decade, Treasury maintained a close interest in and provided comment on AUC proposals, a commentary which became increasingly influential and increasingly trenchant. These views were provided to the Prime Minister's Depart-

ment as the Commonwealth Government's principal coordinating department. In these circumstances it was not easy for relations between the AUC and the Treasury to improve and until very late in the decade they did not do so.

After reading the First Report, the Commonwealth Treasury advised the government not to accept it in full but to expand expenditure only moderately and to continue close scrutiny of the powers delegated to the AUC. Treasury officials wanted a closer affinity between the general budgetary policy of the government and the policy proposals for the university sector.[37] This lack of affinity between the budget proposals and AUC proposals was to cause serious difficulties in the future when AUC reports proposed continual increase in financial assistance which could not be easily accommodated outside budget estimates.

It was these experiences with State and Commonwealth Treasuries, and other government agencies, that made the AUC recognize from the outset the tensions it faced. Working within a federal system the AUC had to provide recommendations to the Commonwealth Government on financial allocations to universities in the States. As it stated in the First Report, the AUC foresaw national coordination of university development as a difficult task:

> The responsibility of the Commonwealth to encourage a national approach to university problems is beset with obvious difficulties. The Commission works within a framework of university governments, State Governments and the Commonwealth Government and its constant concern is to preserve the autonomy of the university and to avoid any infringement of State rights. It is to be expected that attempts at an Australia-wide coordination of university policy will sometimes be frustrated by the reality of these historic rights.[38]

Menzies' cabinet minute on the First Report

In addition to comprehending the extent of the financial proposals in the AUC's First Report, Menzies would have noticed that they departed from previous proposals not only in wishing to establish a uniform ratio of financial assistance to the States but also in endeavouring to treat States and universities uniformly. (Under the earlier system, Western Australia and Tasmania had more generous capital assistance than the £1 for £1 matching basis operating in other States.) However, the Report emphasized that the principle of uniform treatment in the strict budget and ratio sense was counterbalanced by the use of a temporary second level grant as

a dampening or accelerating influence according to how it saw the requirement for the balanced development of each of the universities during the first triennium. The First Report went further than the proposals in the Murray Report by including not only recurrent but also capital grants in the triennial funding recommendations, an arrangement supported by Menzies but opposed by the Commonwealth Treasury.

Prior to presentation to cabinet, Menzies considered the implications of the First Report with senior officers in his own department. He decided not to circulate the Report as a cabinet paper because: "... he thought that he could best present the Commission story orally and also because of his fear of premature publicity for such 'dramatic' recommendations".[39] In order to help present it in this way, Menzies and his advisers drafted an extensive cabinet minute. Menzies was aware that adoption of the recommendations would have three important effects.[40]

First, as the AUC sought some discretion in the spending of money for capital purposes, the acceptance of the Report would change the function of the AUC from that of an advisory body to that of a regulatory body. Menzies saw this as an advantage. Although this represented a departure from the accepted conditions under which money was made available by the Commonwealth to the States and not direct to university institutions, Menzies felt that approval of such a proposal would allow for greater flexibility as it could enable the Commission to exercise a tighter rein on some types of university spending.

Second, Menzies did not think that the proposals would encourage the States to hand over much of their own responsibility for funding universities to the Commonwealth. Although he saw this as a possibility, Menzies was aware that at the time of the acceptance of the Murray Report by the Commonwealth, a similar apprehension had existed though nothing had eventuated.

Third, Menzies had decided that the best course for handling AUC reports was to provide them to the States after the Commonwealth had reached its decisions. He felt that the Commonwealth should announce its decisions on universities at the same time or even before communicating them to the States. The States would then be given copies of the Report (as was the case with the Murray Report) and it would be made clear that it was up to them to decide how far they could go in meeting the proposed expenditure.

In presenting the First Report to his cabinet colleagues Menzies exhibited a strong confidence in the competence and impartiality of the AUC and argued forcefully for full acceptance of the Report.

There is little doubt that Menzies' strong support was a dominant factor in the cabinet's full acceptance of it.

Several other matters which were to be of great significance to the future functioning of the AUC as a coordinating agency were discussed at that cabinet meeting. First, after a general discussion on the problems of universities and the future lines of development of tertiary education, particularly as a result of the projected large increases in enrolments, the cabinet decided that the anticipated large influx of students had to be accommodated without swamping Commonwealth and State budgets. This implied major modifications to university development. The cabinet felt that one of the most immediate ways of doing this was to undertake an extensive reorganization within universities, possibly through rearranging the university working year and through making greater use of facilities and staff. This discussion and the AUC's concurrent proposal to establish an inquiry led to the establishment of the Committee of Inquiry into the Future of Tertiary Education (the Martin Report). The relationship of the Martin Report to the AUC's function as a coordinating agency is considered more closely in Chapter 10.

Cabinet then discussed the possibility of greater involvement of the cabinet, the Treasury and the Department of the Prime Minister in AUC affairs through representation at AUC committee meetings, particularly as, in its First Report, the AUC's financial recommendations had exceeded those of the Commonwealth Grants Commission. The latter agency's recommendations required payments to the States of about £7 million in 1959-60 compared with the AUC's approved recommendations of £40.8 million for the 1961-63 triennium. As the AUC's financial recommendations were outside the normal budgetary processes, the Treasury was concerned to have more active links with the AUC. This point, made in a letter from the First Assistant Secretary of Treasury to his counterpart in Prime Minister's, was brought to the notice of Mr D. Dexter, Secretary to the AUC:

> In point of fact the recommendations of the AUC will have a much greater budgetary significance for the Commonwealth and the States than the Commonwealth Grants Commission. Up to the present there has been little which would suggest that the AUC is well equipped to deal with the problem of the relationship of university needs with those of other claimants on Commonwealth and State budgets. This may, of course, be beyond the scope of the Commission but if it is, then should not the Government consider giving the Commission some guidance from time to time?[41]

However, Sir Leslie Martin's reaction to the question of representation from Treasury and the Prime Minister's Department on the AUC was one of total opposition. He felt that in such circumstances both he and his commissioners would have less opportunity to express opinions and judgements freely. Because of this opposition and the support given to the AUC by Menzies, the proposed representations did not eventuate.

The AUC's hopeful beginnings

Prior to the Commonwealth Parliamentary debate on the States Grants (Universities) Bill 1960, which brought the recommendations of the AUC's First Report into effect, Menzies wrote to Martin expressing satisfaction in the quality of the work of the AUC. His letter gives the impression that for the future the Commonwealth Government had every confidence in the AUC:

> I congratulate the Commission, not only on the quality of its Report, but on achieving it under conditions of considerable handicap.
>
> . . . a most valuable analysis of the problems of university development, which should provoke a great deal of thought and discussion, and, we hope, action, on many questions which will concern governments, universities and the Commission over the next few years.[42]

In his Second Reading speech of the States Grants Bill (1960) Menzies declared that the AUC's recommendations were receiving a large degree of acceptance in Commonwealth and State Government circles, among the universities and in the Australian community at large. Menzies stated that he saw the role of the AUC as: ". . . a source of advice, and of advice only, to Commonwealth and State governments and to universities".[43] Menzies was convinced that what was involved was not merely a matter of money but a question of national responsibilit, and that the expense involved was justified, as without Commonwealth and State level support the universities would be in a "deplorable situation".[44]

The full acceptance by the Commonwealth Government of the First Report indicated the extent of the AUC's initial success, a success which appeared to vindicate the hopes of the Murray Committee and the universities for an agency which could appropriately represent university needs to government. The central participants in the process leading to the acceptance of the First Report were the AUC, the Prime Minister and his cabinet. The role of the Common-

wealth Parliament was minimal. Other parts of the Commonwealth bureaucracy with some stake in this aspect of policy-making had been peripheral in their influence, but there were signs that the situation would change.

Despite these hopeful beginnings, the AUC was not in a position of strength due to its singular dependence on Menzies for support. As an important participant in university development in the 1960s stated:

> Menzies was using the AUC to bypass the rationing of the cash in the Commonwealth budgetary process – and he was the Prime Minister. One can't blame the AUC for thinking that was the way it was going to be. It is quite possible he would not have been able through normal budgetary processes to do for universities in money terms what was achieved. Menzies was clever enough to perceive that. He was very happy he did not have to argue against the Treasury or his other Ministers about these matters. But this situation couldn't go on forever, particularly as the sums got bigger.[45]

Notes

1. P. D. Tannock, "The Role of the Government of the Commonwealth of Australia in Education since Federation 1901-1968" (Ph.D. dissertation, The Johns Hopkins University, 1969), p. 404.
2. *Education Act* (No. 55), 1945, Section 5. (2) (f).
3. *Ibid.*, Section 14.
4. Commonwealth Tertiary Education Commission (CTEC) Files. *CAU/GEN/20, Documents Part 12*, "Interim Report by the Commonwealth Committee on the Needs of Universities", p. 13.
5. Transcript of interview held with Professor Russell Mathews in Canberra on 17 April 1979, in possession of the author.
6. R. Mathews, "Issues in Australian Federalism" (10th R. C. Mills Memorial Lecture, University of Sydney, 18 October, 1977), p. 1.
7. Parliament of the Commonwealth of Australia. *Joint Committee of Public Accounts*, "Enquiry into the Office of Education", 1956, p. 39.
8. *Joint Committee of Public Accounts*, p. 188.
9. *Ibid.*, p. 189.
10. Sir Ian Clunies Ross, *The Responsibility of Science and the University in the Modern World* (Sydney: University of Sydney Press, 1952).
11. *Commonwealth Universities' Yearbook, 1960* (London: Association of Universities of the British Commonwealth, 1960.) This information was derived from the entries of each nation respectively.
12. Transcript of interview with Mr L. Moore in Canberra on 18 May 1979, in possession of the author.
13. The Parliament of the Commonwealth of Australia, *Report of the Committee on Australian Universities* (Canberra: Australian Government Printer, September 1957), p. 5.

14. Commonwealth Tertiary Education Commission (CTEC): *Australian Universities Commission (CAU) Records, (Part II)*, Meeting, 5 July 1957.
15. CTEC. *CAU Records*, Meeting, July 5 1957, p. 3.
16. CTEC. *CAU Records*, W.A./4, p. 4.
17. These, and other views of Murray, are contained in: CTEC. *CAU/ALL UNIVERSITIES/16*, p. 2.
18. *Report of the Committee on Australian Universities*, para. 358.
19. Australian Vice-Chancellors' Committee. *A Crisis in the Finances and Development of the Australian Universities* (Melbourne: Melbourne University Press, 1952).
20. CTEC. *CAU/ALL UNIVERSITIES/8*. AVCC submission, p. 1.
21. CTEC. *CAU/ANU/36*. ANU "A permanent Universities Commission in Australia", Memorandum submitted to the Committee on Australian Universities June 1957, pp. 2-3.
22. CTEC. *CAU/ALL UNIV/19*, "Grants to the States for Universities": W. J. Weeden, August 1957, p. 2.
23. *CAU/ALL UNIV/19, op. cit.*, p. 4.
24. *Report of the Committee on Australian Universities*, para. 168.
25. *Ibid.*, para. 354.
26. *Ibid.*, para. 355.
27. *Ibid.*, para. 389.
28. Australia. *Commonwealth Parliamentary Debates (CPD)*, House of Representatives (HOR) 17 28 November 1957, pp. 2676, 2901.
29. Transcript of interview held with Professor N. S. Bayliss in Perth on 9 May 1979, in possession of the author.
30. R. Else-Mitchell, "The Rise and Demise of Coercive Federalism", *Journal of Public Administration* XXXVI no. 2 (June 1977): 114.
31. Letter of the AVCC to the Prime Minister, 7 February 1958, copy in possession of the author.
32. CTEC. *Committee on the Teaching Costs of Medical Hospitals, MC/11*, Conference with Health Ministers, Canberra, 9 April 1959, p. 6.
33. Australia, *CPD*, HOR 23 (21 April 1959): 1371.
34. *Report of the Australian Universities Commission on Australian Universities 1958-1963* (Canberra: Government Printer, 1960).
35. Transcript of author's interview with Professor N. S. Bayliss.
36. CTEC. *AUC 69/82*, Letters of Dexter to Commissioners Bayliss, Trendall and Vernon, 11 April 1960.
37. CTEC. *AUC 80/82*, 6 July 1960, "Treasury comment on the Interim Report", para. 31.
38. *Report of the Australian Universities Commission on Australian Universities*, 1958-1963, p. 8.
39. CTEC. *AUC 60/107*, Quoted by Martin in Meeting 10, 5 August 1960, p. 1.
40. Commonwealth Archives. *4/1/2 Part 1. Commission Policy – Report of the Commission 1958-1963* (confidential submission no. 894, Copy No. 36, for Cabinet, "Report of the AUC on Australian Universities").
41. *4/1/2 Part 1*, Telex, Foxcroft to Dexter, 5 July 1960, para. 7. Foxcroft was First Assistant Secretary in the Department of the Prime Minister.
42. CTEC. *AUC 60/119*, Meeting 12, 13 December 1960. Martin quoted from the Prime Minister's letter to him of 15 November, 1960, p. 2.
43. Australia. *CPD*, HOR (29 November 1960): 3181.
44. *Ibid.*, p. 3181.
45. Transcript of an interview with Sir Ernest Coates, held in Melbourne on 11 May 1979, in possession of the author.

5
The golden age: 1961–63

With the acceptance of the First Report in November 1960 the AUC felt it had obtained the trust of universities and governments and that it had established the routines necessary to enable it to discharge its main advisory functions. The AUC anticipated that its first triennium would be a particularly busy one, especially as it had responsibility for the establishment of committees on academic salaries, on the teaching costs of medical hospitals and on the future of tertiary education in Australia (the Martin Inquiry) as well as the preparation of the Second Report.

The most conspicuous problem facing the AUC from 1960 to 1963 was the maintenance of triennial planning in the face of rapid expansion in student numbers, capital costs and inflation. Additional difficulties were encountered. For example, in Victoria, where serious underestimates in projected student numbers had been discovered, Monash University, which came into existence in 1958, had to be developed too rapidly for precise budgeting to be possible and several substantial requests for further financial assistance for Monash had to be made during the triennium.

Table 2, Australian Universities: Sources of Funds, 1947-63, demonstrates that from 1959 to 1963, the period from the establishment of the AUC to the end of the first triennium, the expenditure on university education doubled. During that period, expressed as a percentage of the Gross National Product (GNP), expenditure on universities rose from 0.37 to 0.67 per cent and the Commonwealth's share of expenditure rose from 37.3 to 43.8 per cent.

Table 3 indicates the total capital and recurrent grants advised in the Second Report and the percentage increases from the First Report. Recurrent funding rose by nearly one-third and capital funding by 12.4 per cent. The overall increase was more than £45 million. As this chapter will demonstrate, apart from the partial acceptance of the recommendation for a special research grant, these recommendations were accepted in full by the Commonwealth and matched by the States.

In relation to the later years of the 1960s the first triennium was a golden age for the AUC. Yet even then Martin could see that the

Table 2. Australian Universities: Sources of Funds* 1947–63†.

Year	Students enrolled (incl. CRTS)	Sources of Funds				Total funds as per cent of GNP (%)
		Federal (%)	States (%)	Other (%)	Total (£m)	
1947	30,477	20.3	25.4	54.3	2.297	0.11
1949	31,753	21.3	34.2	44.5	3.287	0.12
1951	31,671	13.9	40.9	45.2	6.121	0.16
1953	28,838	35.7	40.0	24.3	8.866	0.20
1955	30,868	28.4	43.5	28.1	13.385	0.25
1957	36,656	26.4	45.6	28.0	16.047	0.28
1959	47,269	37.3	39.5	23.2	25.496	0.37
1960	53,391	35.9	41.4	22.7	31.377	0.43
1962	63,317	43.8	37.7	18.5	48.786	0.62
1963	69,074	43.8	37.7	18.5	55.000	0.67

* Excluding endowment funds.
† Alternate years represented.

Source: Adapted from the Martin Report, p. 13.

Table 3. AUC: Recurrent and Capital Grants for the 1961–63 Triennium and the 1964–66 Triennium*

	1961–63 Triennium (£m)	Recommendations 1964–66 Triennium (£m)	Increase
Recurrent	83.055	123.342	32.7
Capital	34.447	39.325	12.4
Total	117.502	162.667	27.8

*Includes ANU.

Source: AUC's Second Report, pp. 74, 81.

growth in the magnitude of the funds required would necessitate a greater need for the AUC to measure the educational needs of universities against governments' capacity to pay. These changes on the horizon seemed to include not only a large increase in the magnitude of expenditure to enable universities to cope with the projected increase in student numbers, but also a change in the political climate due to a short term downturn in the Australian economy.

From July to September 1960 Australia encountered a balance of payments crisis which the Commonwealth Government attempted to remedy with some success, through methods which brought about

higher levels of unemployment than at any other time since before World War II. This policy decision proved most unpopular in the Australian community. One likely consequence was that when the federal election for the House of Representatives and the Senate was held in 1961 the Australian Labor Party (ALP) gained 15 seats. The ALP came so close to victory that the federal Liberal-Country Party Government's majority in the House of Representatives was reduced to one after the election of a Speaker. As a result of the election the government needed the support of either the Independent Senator or the Democratic Labor Party Senator to maintain control of the Senate. With such a narrow majority, there seemed to be a more watchful mood in government ranks. As was observed in a political commentary at the time: " . . . the tacit assumption by the Government that it could afford to carry out its economic policies without fear of electoral repercussions has already been abandoned".[1]

AUC's reactions to University submissions

Although the difficulties facing the AUC continued to grow, Martin knew that the independence of the AUC was respected by the government and that through the positive support of Menzies the AUC had been given the unquestioned capacity and freedom to put forward its own financial estimates for universities. The AUC believed that the basis of its effectiveness as an advisory agency was its right to make an independent assessment of the needs of universities from submissions and continued discussions, bearing in mind its charter to promote balanced development. The AUC believed that central to the success of this process was the agreement that the total funds involved in the proposals of each university were considered confidential and were not to be publicly revealed even if the request to do so was made in Commonwealth Parliament.

As the AUC Commissioners began to read the submissions from universities for the 1964-66 triennium, they became convinced that many of the requests were unreasonable. In its visits the AUC found there was a general air of unconcern in many universities about the need to present realistic submissions. For example, the administration of one university submitted estimates without sorting internal priorities. When challenged by the AUC the university authorities made the following reply:

> . . . The Vice-Chancellor replied candidly that it was true that the University had not attempted to prune the submissions, except in minor cases and in the case of one department where the

> requests were quite extravagant . It was true that the University's submission was a composite statement of ninety-four departments' requests, and that it had not been pruned by the Vice-Chancellor, the Finance Committee or the Senate.[2]

The university may well have had its own reasons for this stance but it did not help the AUC in its task. Nevertheless the AUC was not prepared to allow the matter to rest and, as a result of a further request, the Vice-Chancellor of this university provided a much more cohesive submission.

A year later (March 1963) the Commission found, again at the same university, serious errors in its internal accounting system. This finding was a serious one as, if reflected in universities elsewhere, it implied a defeat of the AUC's attempts to use individual university's financial estimates in aggregate calculations for the universities' system as a whole.

The AUC was conscious of a further serious shortcoming. There were inconsistencies from one university to another in the bases used for financial estimates. That the AUC was unable to establish standardized procedures for statistical projections and financial estimates was partly to blame. However, some universities seemed to be taking unreasonable advantage. For example, at one university the AUC discovered that part time teaching staff were not taken into account when calculating the staff-student ratio.[3]

The tension caused by the inadequate and inflated submissions from the universities began to make more difficult the AUC's co-ordinating role at both Commonwealth and State levels by the end of 1963.

Relations with the States

From 1961 to 1963 the AUC's relations with State Governments continued to be close and untroubled. On its visit to each State the AUC met the State Premier as well as top State Treasury officials and these meetings were generally useful and productive to both sides. However, the States' views on priorities in education were beginning to change. The increased intake of pupils in schools as a result of the postwar baby boom compelled State Department of Education Heads and their senior advisers to devote nearly all of their time (and their education budget) to the schools. As well as this the size of grants being approved by the Commonwealth for universities was continually increasing and the State governments were obliged to match these grants.

Tasmania and Western Australia, the only recipients at that time of equalization grants from the Commonwealth Grants Commission, felt they faced greater difficulties than the other States in matching Commonwealth grants for universities. Tasmania, in reflecting the views of all the States at the time, was concerned to maintain States' responsibilities. Nevertheless, Tasmania also claimed part of the responsibility of the AUC should be to take fiscal equalization between the States into account. For its part, the AUC maintained that its concern was not fiscal parity between the States but the development of individual universities with national interests in mind.

That expenditure on education in the States continued to rise, and that each States' budget showed obvious strains in attempting to accommodate these increases did not escape the notice of the AUC. However, these difficulties did not seem to affect the acceptance by both levels of government of the AUC's Second Report.

AUC relations at Commonwealth level

There are three main aspects to the AUC's interaction with the Commonwealth Government and with the Department of the Prime Minister during the first triennium (1961-63) which illustrate the influence of the tension between statutory independence and administrative coordination on the changing role of the AUC as a coordinating agency. First, as a result of approaches the AUC made to the Commonwealth Government on behalf of four universities in need of further recurrent grants during the triennium, the government lost some confidence in the AUC. Second, the AUC, as a result of discussions on a draft of its Report with a cabinet subcommittee, changed its recommendations for the second triennium. Third, the inability of the AUC to meet certain deadlines due to a lack of secretarial staff and work overload, adversely affected the AUC's relations with the Department of the Prime Minister. These three aspects are now considered.

By mid-1962, due to unforeseen expansion and to some extent poor planning on the part of the institutions themselves, three universities, the University of New South Wales, Monash University and the University of Sydney, approached the AUC seeking extra financial assistance for recurrent expenditure during the 1960-63 triennium. Further assistance was needed as well for the new university being planned at Bedford Park, South Australia (later Flinders University).

The AUC was unhappy with these requests as they represented a serious challenge to the triennial system and had the potential to undermine the Commonwealth Government's confidence in the AUC's ability to present appropriate and durable financial estimates for each triennium. Nevertheless, because in three of the universities additional students had already been enrolled, the AUC felt it could not refuse the requests and they were forwarded to the Commonwealth Government with full AUC support. In September 1962, Martin pointed out to his Commissioners that, according to the Secretary of the Prime Minister's Department, Sir John (then Mr.) Bunting, although Menzies still expressed full confidence in the AUC, these requests were not at all readily accepted by him.

In October 1962, Martin discussed the extra grants with Menzies. Although Menzies regarded the approved triennial recommendations as an inviolable contract between universities and governments at Commonwealth and State level, his inclination was to bring down amending legislation immediately for any extra grants which cabinet might approve. This proposal made the AUC uneasy as Martin and his Commissioners realized they could be in an invidious position if it appeared that they considered the needs only of those universities which actually requested extra assistance before the end of the triennium.

At a later meeting with the AUC, Menzies made it clear that he intended to amend the States Grants Act as he was not in favour of, in effect, granting overdrafts to universities and charging them against the following triennium. Martin remained displeased as other universities might undoubtedly feel that they had been placed in a false position because they had not "screamed".[4] Martin suggested that: "... God helps those who help themselves and three of the four requests now before the PM were there largely because of the lack of judgement on the part of three of the universities concerned".[5] Menzies eventually decided to exclude the University of Sydney from a further recurrent grant and the Bill granting the other requests came into effect as the States Grants (Universities) Act 1963.

The second development altering the AUC's role as a coordinating agency came as a result of a preliminary discussion held with a cabinet subcommittee on the Second Report. As has been indicated earlier in this chapter, it was obvious to the AUC that the Commonwealth Government would not be prepared to provide funds to the inflated level requested by the universities. For example, the capital grants requested had doubled from £41.5 million in the 1961-63 triennium to £83.2 million and there was a 72 per cent increase in the recurrent requests from £89 million to £152 million.[6]

At a meeting of the AUC in mid-1962 Martin had suggested that, after the next triennial visits, the Commission should encourage the Prime Minister to nominate two or three ministers to sit in with the AUC at its last crucial meeting. As described in Chapter 4, this had been proposed by cabinet at the time the First Report was being considered. Martin felt that once this meeting had been held the AUC could, with the consent of the cabinet subcommittee, discuss the proposed recommendations with the States. Arrangements were then made for this meeting to take place in May 1963 and, in preparation for it, the AUC decided to reduce very considerably the capital and recurrent grants put forward by the universities and propose £33.6 million for capital and £103.6 million for recurrent grants as a basis for discussion.[7]

At the meeting the Ministers expressed some concern at the way in which the Commission had been able to reduce the capital requests of the universities.[8] Martin explained that for its part the AUC had been dissatisfied with the manner in which universities were inclined to place all departmental requests before the Commission without any attempt at prior assessment. It seemed clear to the AUC that the universities had not given a great deal of time to planning the submissions. The AUC gained the impression that the cabinet subcommittee was somewhat disappointed at the modesty of the Commission's requests for capital expenditure.

In discussing the recurrent proposals Martin pointed out that the Commission's assessment of the needs of universities had taken account of the present level of university development, the cost per student and the staff-student ratios. The ministers then considered the recurrent recommendations. After the meeting the AUC was left with the impression that the ministers were not disturbed "at the magnitude of these recurrent proposals".[9]

As a result of this meeting the AUC then changed the recommendations made to the cabinet subcommittee and discussed its new proposals for the second triennium with the States. In doing so, the AUC had made a noticeable change in its procedures from the First Report as it now seemed more willing to consider financial and political implications and to reappraise recommendations in the light of consultation with government.

On the day prior to tabling the Second Report in Commonwealth Parliament, Menzies wrote to Martin acknowledging his deep satisfaction with the work of the AUC:

> I may say at once that my colleagues and I have been greatly impressed with the range and detail of the Report. We would like the Commission to know that we recognise the problems

> associated with its preparation in a rather critical period of development in Australian universities. I would be grateful if you would convey our appreciation to all concerned in the preparation of the Report.
>
> Having regard to the actual and projected growth in student numbers at the universities, the financial recommendations now presented by the Commission appear to us to be of a right and necessary order for the coming triennium.[10]

Menzies then went on to mention certain reservations about the recommendations. First, he suggested an alternative method of handling the proposal for a special research grant. (This is discussed further in Chapter 8 Research Funding in Universities.) Second, Menzies felt that there was a need for a strong restatement of the triennial principle. Third, Menzies put the view that there was a need to discuss with the AUC the establishment of better procedures and measures of financial control in order that the Commonwealth interests could be better protected.

The third aspect of the AUC's interaction at Commonwealth level which illustrates its changing role as a coordinating agency concerned its lessening of rapport with the Department of the Prime Minister. Within the Prime Minister's Department senior public servants with a responsibility for advising on Commonwealth involvement in education had become increasingly concerned with the lack of progress of the committees of the AUC, particularly the Martin Committee which had been underway for over twelve months but had not demonstrated much progress.

The AUC found it was in a difficult position to allay these concerns as its resources were stretched to the limit. Some of the members of the AUC foresaw that little more could be achieved without the assistance of further part time commissioners and an increase in secretariat staff. Unfortunately, being located in Melbourne did not help the AUC to bring its staffing shortages to the notice of the Commonwealth Public Service Board. As the Commission's workload continued to increase, suggestions were made to Menzies by members of his own department that something positive should be done as the volume and complexity of the tasks of the AUC continued to grow. It was evident to them that the situation was beginning to impair its effectiveness.[11] Yet despite this evidence there was no increase in the staff of the AUC secretariat. This was apparently due at least in part to the reluctance of Martin to approach the Department of the Prime Minister to request additions to his administrative staff of a secretary, four professional staff and seven support staff.

Up to 1963 the Department of the Prime Minister's main concern

seemed to have been with ensuring the smooth integration of the AUC's advisory function with other associated responsibilities of the government. As has been observed by Spann such a concern, natural to a central department, is one of the distinctive characteristics of public sector administration when compared with private sector administration:

> The overall responsibility of government for integration tends to produce within Government itself a more intense internal integration than is likely to be found in a private organisation with many different activities. . . . Governments tend to have elaborate machinery for coordination, for seeing that one part does not step out of line with another and that decisions pay regard to all interests. This produces the characteristic labyrinthine form of administration, as it has been called.[12]

From 1963 to 1966 there was a change when the Prime Minister's Department took on a new role as it became responsible for planning and implementing initiatives in Commonwealth involvement in education particularly as they related to the development of colleges of advanced education. As a consequence it became increasingly concerned with coordinating the AUC's role in a much wider enterprise.

The ending of the golden age

It is significant for the changing role of the AUC that the recommendations for the Second Report were conceived by the AUC with little conspicuous input from other parts of the Commonwealth bureaucracy or from powerful interest groups such as the Australian Vice-Chancellors' Committee. After its own deliberations, the AUC discussed its proposals directly with a cabinet subcommittee, made some changes to them, and then made further contact with the States and obtained their concurrence. The Commonwealth Treasury had not been consulted in the preparation of the Second Report as the financial allocation required to bring into effect the Commonwealth Government's decisions on these recommendations was made outside the normal budgetary process. Thus it can be said that the main agents in university development from 1960 to 1963 were the AUC and the Commonwealth Government. Universities participated to the extent of providing submissions and discussing them during the AUC's subsequent visits to each university. There was little participation in the process by the outside public, pressure groups, the political parties or the Commonwealth and States' Parliaments.

If the *Sydney Morning Herald* editorial viewpoint is a guide (and there were apparently no alternative points of view expressed in other major contemporary newspapers), the AUC's Second Report was accepted very readily by the Australian community. According to its editorial: "... the AUC was now well established and seems to have won the confidence of both the Commonwealth and the States. The Commission's proposals seem well conceived."[13] In the Prime Minister's statement quoted in the *Sydney Morning Herald* both the Report and the associated legislation were "important milestones marking the route of Commonwealth and State Government assistance for State universities".

There had been remarkable university development in the six years since the Murray Report. As a result of the AUC's recommendations for capital works over two triennia, extensive building programmes could be seen on every campus in Australia and most residential colleges were being extended or new ones founded. The AUC's negotiations with the States had been conspicuously successful and, as a consequence, the States had provided, with no small effort, the necessary matching finance. There seemed to be a new heart in the universities which had been absent in 1958.

Sir Keith Murray visited Australia in November 1963 and was greatly encouraged by the progress which had been made. He called it an "almost fantastic expansion".[14] He found the importance of university education increasingly recognized, the universities "buoyantly confident" and full of hope for the future. Murray saw the AUC as having a central function in the future development of Australian universities:

> ... The Australian Universities Commission has a vital role to play if university autonomy is to be maintained, if governments are to have independent expert advice on the needs of universities and if the universities are to be developed in conformity with the legitimate needs of Australia. The Commission has, in fact, gained for itself within the short space of four years the confidence of all concerned, the Federal Government, the State Governments and the universities.[15]

Yet there were signs that the "golden age" was drawing to a close. Throughout this period the AUC continued to be largely in the dark, working broadly under the Menzies proposition that nothing was too good for universities. The AUC had tuned in reasonably well to State reactions to university development, particularly through its contacts with State Treasuries. But being away from daily contact with growing Commonwealth activities in education in Canberra, the AUC did not possess the capacity (or the time) to be sufficiently

aware of the changing attitudes this growth implied – particularly the attitudes of the Prime Minister's Department and the Commonwealth Treasury. There were to be considerable changes before the tabling of the Third Report.

Notes

1. "Australian Political Chronicle" in *Australian Journal of Politics and History* 8 no. 2 (May 1962): 102.
2. CTEC. *AUC 62/124*, Meeting 23, 12 June 1962, Report No. 4, Discussions with Vice-Chancellor, p. 3.
3. CTEC. *AUC 62/196*, Meeting 38, 11 September 1962, Report No. 7, Discussions with Vice-Chancellor, 10 September, p. 1.
4. CTEC. *AUC/62/247*, Commission meeting with the Prime Minister, Canberra, 29 October 1962, p. 2.
5. *Ibid.*, p. 2.
6. CTEC. *AUC 62/113*, Meeting 20, 31 May–1 June, 1962, p. 6.
7. CTEC. *AUC 63/49*, Outline of matters for discussion with Prime Minister and subcommittee of Cabinet, 4 May 1963.
8. CTEC. *AUC 63/49*, Appendix I: "Commission's discussion with Prime Minister, Treasurer, Minister for Territories and Prime Minister's Secretary".
9. *AUC 63/49, Ibid.*
10. CTEC. *AUC 63/92*, Prime Minister's letter to Chairman about the Commission's Report, 16 October 1963, p. 1.
11. Commonwealth Archives. *63/1907*, "AUC Report for 1964/66 triennium – government consideration", memo to the Prime Minister, 4 May 1963.
12. R. N. Spann, *Public Administration in Australia* (Sydney: NSW Government Printer, 1973), p. 15.
13. *Sydney Morning Herald*, 19 October 1963.
14. Australian Broadcasting Commission. *Guest of Honour Radio Broadcast*, 24 November 1963. Transcript of "Australian Universities and the Future", Sir Keith Murray.
15. Ibid.

6
The chill winds blow: 1964–66

By the end of the second triennium (1966) conspicuous changes had occurred in the functions of the AUC as a coordinating agency. By that time too there were apparent changes in Canada, USA and Great Britain in the functioning of coordinating authorities and an acceleration in the rate of development of university systems.

In Canada, as a result of far-reaching changes in the Federal-Provincial Agreement 1966, the federal government cancelled its general payments to universities and phased out its support of technical and vocational training at the secondary level except for adult and occupational training. It substituted instead a fiscal transfer to the Canadian Provinces for the general support of post-secondary education as part of the federal-provincial arrangements for the five year period 1967-72.[1] Provinces were then able to plan and budget for the development of secondary and higher education as a coordinated system and universities came to be regarded as part of each Province's system of tertiary education. A new relationship between universities and Provincial Governments rapidly developed, a relationship fostered and monitored by coordinating agencies which varied in structure, function and importance from province to province.

In the USA by 1965, statewide networks of colleges and universities had become more formalized and a number of important trends could be identified. According to Glenny,[2] one of the most important of these trends was the increasing role of coordinating agencies. Glenny observed that coordinating boards with a majority of members from the private enterprise sector received more substantial powers than boards mainly drawn from presidents or trustee representatives of universities and colleges, that coordinating agencies were more prominent than previously in formulating and advocating policies for development and expansion of tertiary education, and that federal support programmes, administered by coordinating agencies, became more state oriented than institution oriented.

In Britain by February 1964, ministerial responsibility for universities had been transferred from the Treasury to the Department of Education and Science. A principal reason for this was that

the Conservative government felt that education had become a system of related parts over which there had to be an overall strategy of planning and decision. Subsequently, a single minister, the Secretary of State for Education and Science, was given responsibility for the whole field of education; he had beneath him a single department which comprised two units, one of which had responsibility for the administration of higher education and science, which included the Universities Grants Commission (UGC). Within this new framework the UGC adapted to a more constrained coordinating role. According to one observer,[3] the UGC accepted the government's concern to ensure that an appropriate service to national needs in the shape of qualified people and useful knowledge was forthcoming from the universities. To carry these plans into effect implied positive judgements which went beyond the UGC's traditionally accepted "buffer" role.

In Australia this period marked the culmination of the era of impressive and sustained growth in university development which had commenced in 1956. For almost a decade the student population of universities had increased at a rate of over 20 per cent per annum and in 1966 stood at over 95,000. During this time the Commonwealth Government had become progressively involved in almost every aspect of education. In Australia by 1966 this broadening of interests diminished the prominence previously given by the Commonwealth Government to university development. The AUC had to adjust to this change.

From 1964-1966 the AUC's problems in grappling with shortfalls in recurrent grants and triennial planning continued and commensurate with a large increase in magnitude of the grants, its advisory role became more complex and its regulatory role more conspicuous. In attempting to promote balanced development the AUC faced further difficulties as the differences between Commonwealth and State responsibilities in tertiary education were becoming less and less easy to distinguish. To add to this vexed question, by the end of 1965 it was apparent that if financial assistance to Commonwealth scholarship students were included, the Commonwealth's share in financing university education exceeded that of the States. On its part, the Federal Labor Opposition had begun to advocate the idea of a more direct and positive acceptance by the Commonwealth Government of its wider responsibilities in education. The Labor spokesman on education, Mr Kim Beazley, believed that the AUC, acting as a "sieve of realism",[4] and the Commonwealth Government, should play a much bigger part in trying to influence university development. But the Commonwealth Government maintained a reluctance to be seen as encroaching positively

into an area of responsibility traditionally assigned to the States.

These changes occurred against the political background of two general elections which increased the Federal Liberal-Country Party Government's majority in the House of Representatives. Although in 1963 the numbers unemployed were still greater than 90,000, the government did not bow to community pressures for a more generous deficit budget as a solution to the unemployment problem. During 1964 economic conditions improved and continued to do so for the remainder of the 1960s. On 30 November 1963, a surprise House of Representatives election was held twelve months before legally necessary, breaking the simultaneous occurrence of House and Senate elections which had been the pattern since 1955. At the election the government increased its majority from two to twenty two.

In August 1964, there was a Senate election which resulted in the continuation of a deadlocked Senate with two Democratic Labour Party Senators and one Independent Senator holding the balance of power. Two years later, on 26 November 1966, there was a further general election and the Liberal-Country Party coalition had its greatest electoral triumph since 1959. In the new Parliament the Liberals had 61 seats in the House of Representatives, the Country Party 21, and Australian Labor Party 41 and there was one Independent. The government almost immediately announced the establishment of a new Ministry of Education and Science to be headed by Senator Gorton.

To some supporters of universities it appeared that during this time the AUC began to lose independence as an advisory agency. In April 1966 the AUC presented its recommendations for the third triennium to the Commonwealth Government. In June the State Governments refused to match them and in July the Commonwealth Government followed suit. As this chapter will illustrate, the rejection of the financial recommendations of the Third Report, the appointment of a new Chairman of the AUC and the establishment of the new Department of Education and Science in 1966 sent a chill wind of uncertainty through the universities.

The increasing difficulties of the AUC

During the second triennium the AUC's wide ranging responsibilities became too great for a government agency of its size. In considering the composition of the Commission, the Murray Committee had envisaged a full time Chairman and seven part time members, five of them academics, selected by the Commonwealth Government (not

the States) on the basis of personal merit and special knwoledge. Vice-Chancellors were to be specifically excluded. In the event, a smaller commission was initially appointed consisting of Sir Leslie Martin and four part time members: Professor N. S. Bayliss, Professor A. D. Trendall, Sir James (then Dr) Vernon and Sir Kenneth Wills. Wills and Vernon were chosen to represent commerce and industry.

Following a cabinet decision of 15 March 1962 and subsequent approval by Commonwealth Parliament, the Commission was enlarged by the appointment of two extra part time members, one with specialized knowledge in medical education, Professor S. Sunderland, and the other a businessman, Mr K. B. Myer. The original members were reappointed for a further three years. With this new composition two States, Queensland and Tasmania, were not "represented" on the Commission. In 1965, Martin suggested to Gorton that the size of the AUC be increased by appointing a further two part time members. Meanwhile, the six existing members were reappointed until 30 June 1968. The two new members were Dr W. L. Hughes, a distinguished Queensland businessman and Mr A. W. Knight, Chairman of the Tasmanian Hydro-Electricity Commission. Thus by the end of 1965 a situation was brought about ensuring "representation" which covered all States.

Although the numbers of secretariat staff were increased from 13 in June 1964 to 21 in June 1966 these increases in manpower came too late to help alleviate the pressure of preparing the Third Report. From 1962 to 1966 Martin was heavily committed. He was Chairman of the AUC, the Martin Committee and the committee on the costs of teaching hospitals as well as being Defence Scientific Adviser and a Commissioner in the Australian Atomic Energy Commission. The increased workload had an adverse effect on the capacity of the AUC secretariat to improve the quality of the data base on which financial estimates were to be made for the Third Report. The gradual decline in the resources of the AUC relative to the growing task at hand clearly diminished its capacity to adjust to changes in its coordinating role.

The growth of the role of the Prime Minister's Department

By early 1964 some senior public servants in the Prime Minister's Department were questioning the future role of the AUC and examining its function more closely. This scrutiny was partly due to what was rumoured to be the impending retirement of Sir Leslie Martin at the end of 1965. Questions were raised about the qualities

needed for his successor. (In the event, Martin decided not to retire until 1966.) But the questioning was mainly due to the increasing current of activity by the Commonwealth in education. To these senior public servants the function of the AUC had always been clear: it was a Commonwealth agency, established primarily to provide advice to the relevant Commonwealth minister, which consulted with the States but did not act as formal adviser to them.[5] There was some feeling expressed as well that the AUC's function should be limited to that of an advisory agency with no regulatory authority.

In December 1963, at the time Gorton commenced office as Minister assisting the Prime Minister in Commonwealth activities in Education and Research, there were two administrative units concerned with Commonwealth activities in education located in the Prime Minister's Department: the Education Section in Canberra and the Commonwealth Office of Education (COE), which operated from headquarters in Sydney and branch offices in State capitals. As has been stated earlier, the AUC, until late 1965, operated from Melbourne. From the establishment of the AUC in 1959, the COE's main functions related to ministerial advice on Commonwealth scholarship matters and their administration, Commonwealth-State liaison in matters of national interest in education such as Australian representation on the United Nations Educational, Scientific and Cultural Organization (UNESCO), some research in education, some publications and the provision of educational statistics. The linchpin of Commonwealth policies in education was the Education Branch in the Prime Minister's Department. As well as coordinating all Commonwealth education activities, including those of the COE and the AUC, it also exercised functions more appropriately centred in Canberra, for example attending to Parliamentary and Ministerial activities, representing the department on interdepartmental committees in relation to education, and servicing national inquiries and national bodies of advice.

At that time (December 1963) the Department of the Prime Minister had seven branches each headed by an assistant secretary. They were: Cabinet, Defence, Economic Policy, Labour Relations and Social Services, Administration, Ceremonial and Hospitality, and Education. In June 1964 the Prime Minister's Department changed its structure to one of three Divisions: Cabinet and External Relations, Economics, and Education. Mr Ken Jones, former Assistant Secretary of the Economics Branch, was given responsibility for the Education Division. Jones had two Assistant Secretaries, Mr A. L. Moore, who had responsibility for tertiary education, research and staff and Dr R. Mendelsohn who was in charge of secondary and

technical education. The COE became part of this Education Division and the AUC, as a statutory authority, had links with it, but also had direct responsibility to the minister. During the period 1964 to 1966 the structure of the Education Division was as shown below in Diagram 3.

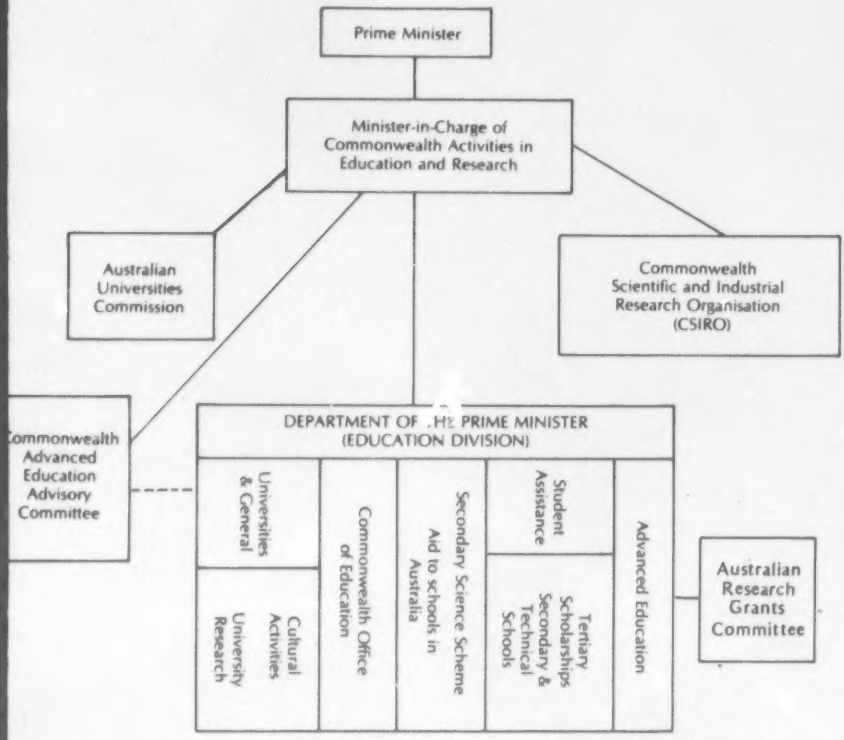

Diagram 3. The Responsibilities of the Minister-in-Charge of Commonwealth Activities in Education and Research, July 1966.

Note: Both the AUC and the Commonwealth Advisory Committee on Advanced Education were directly responsible to the Minister. However the head of the secretariat for the Advanced Education Committee was also an Assistant Secretary in the Department, responsible for administration of programmes arising from Committee advice. The AUC secretariat at that time was formally a part of the Department but operated independently, being responsible for all operational purposes to the Chairman.

From 1963 to 1966 the senior officers of the Department of the Prime Minister, working under Jones, were involved in the implementation of Commonwealth Government policy in education and in the generation of new policy initiatives. Jones' appointment had been recommended to Gorton by the Secretary of the Prime Minister's Department, Sir John Bunting. According to an interview with Moore, one of Jones' staff, Bunting had been impressed by Jones' capacity in the Economics Branch where he had shown an ability to: "... quickly grasp the essentials of any problem and the capacity to suspend his judgement until all possibilities were measured".[6] A very close working relationship grew up between Jones and Gorton. Jones was of great assistance to his minister, especially as Gorton lived in Canberra and spent a good deal of time working in his office in the Education Division.

The AUC commissioners were conscious of these changes in the role of the Department of the Prime Minister. Evidence suggests that they did not sense any undue intrusion of public service interests into the affairs of the AUC and accepted readily that closer cooperation came as a result of the magnitude of the expenditure involved and the need for aspects other than university development to be considered, particularly the development of colleges of advanced education. One AUC commissioner put it concisely when he said: "The intrusions which did take place were the result of the limitation of money. There was no blood on the carpet."[7] It is necessary to state that Martin appeared a little less willing than some of his commissioners to accept these changes.

The departure of Menzies and Gorton's growing influence

The importance of Menzies' personal support and interest in the establishment and early years of the AUC has been demonstrated. At the commencement of the second triennium (1963) Menzies' influence began to be less pervasive. The increasing involvement of the Commonwealth in education generally, particularly subsequent to the federal election promises for education in 1963, had made an expansion of activities inevitable. Two promises in the Liberal Party's 1963 election platform were to provide direct Commonwealth assistance to government and non-government secondary schools through capital grants for science blocks, and to extend Commonwealth scholarships to senior secondary and technical students. After the election these promises needed to be put into effect. To do this it was necessary for Menzies to obtain an assistant and he chose Senator Gorton. Until December 1966, Gorton's

position was that of Minister for Works although he had the additional informal title and appointment of Minister assisting the Prime Minister in Education and Research.[8] Menzies probably chose Gorton since his public image at the time was that of a hardworking junior minister who publicly spoke "courteously but firmly and never said anything rash or indiscreet".[9] In addition to this, Gorton was well respected within the Liberal Party and at Party meetings he spoke strongly and courageously. After choosing Senator Gorton Menzies informed Martin that there would be a "change in the working relationship for yourself and for the Commission".[10] It was a change to which Martin did not fully adjust. The Menzies-Martin rapport did not continue and working relations between Martin and Gorton were never close.

During the first half of 1964 Menzies formally approved the establishment of the Inquiry into Academic Salaries by Sir Richard (then Mr Justice) Eggleston. (This Inquiry is considered more closely in Chapter 9). But more and more he left most of the routine decision-making in education to Gorton. Menzies' contribution to the development of tertiary education in Australia centred on universities and he possessed neither the energy nor the interest to nurture and implement the growing involvement of the Commonwealth in wider aspects. On several occasions Menzies publicly acknowledged the contribution he had made to university development. For example, this attitude can be seen in an address he gave to the Liberal Party in the last year of his office as Prime Minister. After confirming his role in the appointment of the Murray Committee, the AUC and the Martin Committee, Menzies went on to say that:

> . . . none of our programs could succeed without the cooperation of the States, and therefore I am not saying that we are solely responsible, but I am saying that we were the first people to come to the conclusion that tertiary education in Australia was of such overwhelming importance to the future of the nation we must forget all about constitutional inhibitions.[11]

Menzies retired in January 1966. That the AUC recognized his undoubted contribution is well illustrated in the letter members of the AUC wrote to him at that time:

> As members of the AUC, both past and present, we all feel most strongly that we cannot allow the occasion of your retirement from the Office of Prime Minister to pass by without some expression of our admiration for and appreciation of the immense contribution you have made over the past decade to the development of tertiary education in Australia. The phenomenal growth

> of our universities during that period is largely due to the generous support given by the Commonwealth through your initiative. . . [12]

Menzies had written in the margin of this letter, "This is the most encouraging letter I have received". The comment was indeed significant and if the evidence of the Secretary of the AUC is correct, it was apparently the only written comment he made on all the letters received on his retirement:

> Miss Lenihan, who is helping Sir Robert with his retirement documentation problems, informed us that he had received some 5,000 letters from well-wishers in Australia and overseas. The only letter on which he wrote a comment was the one from the Commission.[13]

As Menzies' influence declined, Gorton became the central figure in the direction taken by Commonwealth policy in education from mid-1964 to 1968. Gorton, as minister assisting the Prime Minister in education and research during this period, was eager to continue and extend the work in education which had been done by Menzies. His Liberal colleagues and the Liberal Party left the task of doing so to him.

Once appointed, Gorton began his duties quickly. Most of his energies were initially taken up with implementing the government's 1963 election promises, none of which concerned universities. Early in 1964, he travelled to each State where he discussed the implications of the new federal science laboratories scheme with ministers and directors of education. Later that year, the States Grants (Science Laboratories and Technical Training) Act authorized the payment of £5 million to the States for the building and equipping of technical schools and secondary science facilities. From late 1964 Gorton, with assistance from senior officers of the Prime Minister's Department began preparing the government's viewpoint on the Martin Report and it was at much the same time that Gorton conceived of the idea of a Commonwealth Department of Education. Gorton was also responsible for implementing the government's new policy on research in tertiary education which included the establishment of the Australian Research Grants Committee (ARGC). (The role of the AUC and the ARGC in the development of research in universities is considered in Chapter 8.)

During the period Gorton began to exercise a strong influence over the affairs of the AUC. In order to understand this, it is important to appreciate Gorton's view of the function of the AUC. It was asserted in Chapter 2 that perceiving the "appreciative systems" of key policy-makers was a central component in understanding

changes in the role of the AUC as a coordinating agency. As the new minister, Gorton needed to demonstrate and maintain the reality of his control over all parts of his ministerial portfolio, especially the AUC, which under Menzies had received favoured treatment. Gorton's views were central to the way in which the AUC began to operate as a coordinating agency, for, as Self has indicated, politicians ultimately control administrative systems:

> Politicians are the ultimate controllers of administrative systems, and one of their chief problems is to maintain and demonstrate the reality of their control. Control in this sense does not mean simply (or primarily) making sure that policies which have been made are faithfully executed. It has also the converse meaning of so holding the reins of office that the decisions of administrators can always (if necessary) be over-ruled or amended. It meant also establishing an atmosphere in which administrators will continually be aware of political guidelines and constraints.[14]

One of the signs of tightening of controls perceived by the AUC was that Gorton wanted to exercise the power to transfer approved capital funds between projects. For the two previous triennia the AUC had the important regulatory function of taking decisions on standards in buildings and had exercised its own judgement in transferring funds between projects at each university where alterations in cost or building design had changed the actual amounts of money required. The AUC was not happy with Gorton's plan as it felt its own knowledge of universities could not be exceeded and was a necessary prerequisite to an equitable exercise of this power.

Another proposal of Gorton's was to authorize the pre-planning of one or two high priority buildings for each university for the new triennium, up to the value of 80 per cent of the capital funds available to the particular university in the 1967-69 triennium. One reason for this may have been that the government was aware that of the £34 million for capital works in the 1964–66 triennium, £18.9 million was unspent in the middle of the triennium and that the pre-planning procedure might enable universities to begin at least some of their buildings at the commencement of each triennium. The AUC Commissioners doubted the wisdom of such a proposal as they could not see that any such pre-planning could be done prior to the analysis of all the capital requests for a triennium. Although they saw the possibility of nominating several projects, they were convinced that amounts should not be named as to "do otherwise would constitute commitment without reflection".[15]

Nor was the AUC happy with a suggestion from Gorton that it state the parameters for determining recurrent grants in the Third

Report. The Commission felt that with the possible exception of stating the numbers of students which each university was expected to take, Gorton's proposal was "impractical and that it would precipitate a first-class row".[16] The Commissioners felt that if these parameters were stated the universities would lose flexibility in the administration of their affairs.

Underlying these proposed changes was the view Gorton held of the function of the AUC which was clearly illustrated in the Senate debate (1967) on research funding in Australian universities.[17] The focus of the debate was the function of the AUC and with little noticeable success, Senator Lionel Murphy, for the Opposition, attempted to explain the AUC's true function in terms of its Act of Establishment. For his part Gorton showed that his view was clear and unmistakable: the AUC was a Commonwealth agency with no decision-making power which provided advice to the Commonwealth Government through him as minister.

AUC relations with the Universities

Throughout the second triennium, the AUC maintained a clear view of its central role, that of promoting the balanced development of universities in Australia. Its interpretation of "balanced development" continued to be based on that of the Mills Committee and the Murray Committee before it. Both Mills and Murray had taken into account the different existing levels of development at each Australian university. Similarly, the AUC, recognizing that each university possessed its own unique history, problems and needs, attempted to exhibit a balanced assessment of these in its triennial reports. The AUC believed that to operate in any other way would have introduced an inflexible and arbitrary system of providing financial assistance and would have prevented the Commonwealth meeting its fundamental aim as expressed when establishing the AUC: "... promoting the balanced development of universities so that their resources can be used to the greatest possible advantage to Australia".[18]

Early in the triennium the Australian Vice-Chancellors' Committee (AVCC) approached the AUC and asked for a meeting to discuss the need for a review of the questionnaire being used to assist universities to make their submissions. The AVCC was also interested in being privy to the way in which the AUC calculated and determined its capital and recurrent grants.[19] The meeting was not held, and, as has already been indicated, the AUC had insufficient time

and staff to revise the questionnaire. These shortcomings increased the difficulties of the AUC's task of coordination with universities.

As was shown in Chapter 5, universities did not use a common statistical base for preparing their submissions, hence one of the biggest difficulties facing the AUC continued to be that of preparing a rigorous defence of its aggregated financial proposals. As an example of this variation, the three universities in Sydney each prepared their 1965 estimates on a different basis. The University of Sydney used March 1965 costs and added 12 per cent; the University of New South Wales had used December 1964 costs and added 4 per cent; Macquarie University used January 1964 costs and added 10 per cent for the first twelve months and then added a further 10 per cent at the rate of 2½ per cent per month until the end of 1965.[20]

The requests for more financial support for capital and recurrent purposes in submissions from universities for the third triennium exceeded all expectations and the AUC was perturbed at the ambitious but myopic plans of some universities. Yet the AUC found itself in a quandary; as one Commissioner noted:

> The Commission was in a position between the devil and the deep blue sea. If it took steps to avoid proliferation, it would be accused of an authoritarian attack on university autonomy. If it did nothing, universities would get even more out of control.

The extent of proliferation was evident in the Third Report where the AUC drew attention to the fact that it had "sometimes encountered as a *fait accompli* the decision of a university to undertake new developments for which no special grants were provided".[21] The Commission went on to say that it had attempted to avoid the proliferation of courses already common to several universities and that universities had now agreed not to introduce any new developments for which grants had not been recommended. The minister, Senator Gorton, elaborated on this point when presenting the Third Report in the Senate on 21 September 1966 when he said:

> . . . a university cannot expect our support for the establishment of a new faculty or academic activity within a triennium which had not been endorsed when the triennial program was approved. Furthermore, in the Australian situation, each university cannot expect to develop in depth the whole range of academic studies and the universities and the Commission should look for opportunities for universities to specialize in fields for which they are most suited.[22]

In future years proliferation was eventually held in check by the

AUC and the government exercising tighter controls over the volume of funds for recurrent purposes.

Another difficulty in the AUC's relations with universities related to the triennial system. At the request of a number of Vice-Chancellors, who had found from experience that unanticipated and unpredictable recurrent costs had made a triennial planning system unrealistic, Martin made several requests to Menzies to review it. However, Menzies and the government made it clear that there was to be no change as they saw the triennial system as affording protection from imprudent variations and allowing planning and budgeting with more precision.

The most obvious difficulty in the triennial system related to recurrent grants where there was very wide differences between the average cost per student from one university to another. For example, the AUC calculated that the average cost per student was about £550 at the University of Melbourne and about £1,000 per student at the new Monash University.[23] As both Gorton and Martin considered the extent of such a range unrealistic, in 1965 the AUC began to consider the possibility of adjusting the levels of recurrent grants for each year in the middle of each year in accordance with actual enrolments, particularly as the actual enrolments at some universities (especially the new ones) were substantially below the predicted level. It was Martin's belief that a considerable amount of the difference in average cost per student was due to some new universities improving their staff-student ratio by arbitrarily excluding students. The idea of mid-year adjustments had the support of Vice-Chancellors provided they were consulted before such an adjustment was put into effect.

Yet despite the disharmony between the AUC and the universities and the lack of foresight shown by the AUC in not being firm enough to insist on more accurate information from the universities on which to base financial recommendations for its Third Report, the problem of the recurrent grants and triennial planning dilemma ran deeper. Its roots lay in the very nature of Australia's federal system: through its capacity to set the upper limits to specific purpose payments for education, fiscal control remained with the Commonwealth.

Discussions with the States

The mid-1960s was a critical point for education funding in Australia. Even as early as 1948-49 the States had been devoting one-third of their funds to recurrent expenditure on education. By

1963-66 this had risen to 42 per cent and capital expenditure rose from 2.6 to 9.5 per cent. Thus at the time of the AUC's Third Report the States were spending nearly half of their revenues on education and they found it difficult to increase resources further in order to satisfy vociferous demands from the community for improvements in education.

The matching requirements for university grants increasingly limited the choices available to the States since they had to commit themselves to supporting a three year programme for university development without knowing what additional revenues they would have at their disposal. In this atmosphere, the frankness and intimacy which had marked relationships between the AUC and the States in the first and second triennia had little chance of continuing at the same level. The increasing workload on the Commission and the increasing costs in all parts of the education enterprise for every State had shouldered such opportunities aside.

A critical incident occurred at the June 1966 Premier's Conference. The States Premiers arrived at the Conference particularly dissatisfied with their dwindling financial resources and what they considered to be the niggardly approach of the Commonwealth Government towards providing further money for the States from taxation reimbursement grants and other revenue raising sources. It was at that stage too that the financial effect of the Martin Report had begun to have a constricting effect on State budgets. As has been shown, up to the end of 1966 Commonwealth involvement in education had come under the aegis of the Prime Minister. As approaches to him were primarily a matter for the Premiers, it was at the Premiers' Conferences that issues such as tertiary education grants had their main opportunity of being aired. In this climate Martin decided to provide the Third Report proposals to the State Treasurers who naturally raised them with their Premiers.

Premier Henry Bolte (Victoria) supported by the other Premiers, claimed that an intolerable situation had been reached. Prohibitive financial requirements had been imposed on the States via the matching arrangements for the recommendations of the AUC, the newly established Australian Research Grants Committee (ARGC) and the Commonwealth Advisory Committee on Advanced Education (CACAE). Bolte claimed the situation was especially unacceptable as the States were not involved in making the estimates they were supposed to match. He suggested to the new Prime Minister (Mr Harold Holt) that before the Third Report proposals were published, States should have an opportunity of discussing them with the Commonwealth. Holt then agreed to do this some time before the cabinet met for its budget discussion on 18 July.

Martin may have felt that it was in the best interests of the AUC and the development of universities to let the Commonwealth and State Governments know at the time of the Premiers' Conference what their financial obligations would be. According to Sir Ernest Coates, then Head of the Treasury for the State of Victoria and present at that Premiers' Conference, such a decision appeared "naive".[24] Coates considered the States would see the Third Report financial recommendations as far too high for them to meet and used these words to Martin in his office in Canberra: ". . . Sir Leslie, the States will see this as financial irresponsibility having regard to their financial capacity".[25] Coates claimed this was the general view of State and Commonwealth Treasury officials and the subsequent view of governments.

Although the recommendations of the Third Report were not accepted by the States this did not signal the beginning of a breakdown in relations between them and the AUC. Rather, it created a new friction in that the AUC felt rather badly about the rejection, and the reasons for it as perhaps would any advisory agency whose recommendations were found wanting and unacceptable.

After the Premiers' Conference the AUC discussed with the Prime Minister's Department the procedures which might be necessary should the Commonwealth Government ask the AUC to reduce the grants. The AUC was given to understand that its right to put forward its recommendations based on educational requirements was unquestioned and no pressure would be brought to bear on it to alter recommendations:

> The Chairman said that at the Premiers' Conference the PM had apparently been asked by one Premier to make appropriate amendments to the Commission's Act in order to ensure that the Commission's recommendations would not be in excess of what individual States considered that they could meet. The PM had refused the request and had informed the Premiers that it was the right of the Commission to put forward recommendations on educational grounds.[26]

In addition, the Prime Minister also said that it was the right of governments to say that they could not match the recommendations. The AUC learnt from the Prime Minister's Department that as a result of the approach from the Premiers, the Commonwealth had agreed that the Education Division of the Prime Minister's Department would discuss the proposed grants with State officials with a view to ascertaining the limits to which the States would go.

AUC relations at Commonwealth level

The States' concerns were matched by those of the federal cabinet which felt that approval of the level of expenditure recommended by the AUC would be likely to react adversely on other fields of education where there were pressing needs, especially for additional capital facilities.

Federal cabinet reaction was based on the proposals put to it by Gorton and by the advice of the Commonwealth Treasury. As has been previously indicated, since 1962, relationships between the Treasury and the AUC had nearly always been indirect. As Treasury had neither witnessed nor participated at first hand in the shaping of any of the AUC's triennial estimates, with all the difficulties inherent in such a task, it could not view the final financial proposals with the critical empathy of an insider. The established procedure was for the Treasury to give its views on the AUC recommendations to the Department of Prime Minister which then provided an alternative source of advice to cabinet.

Treasury criticisms of the financial proposals in the draft Third Report were trenchant. Treasury was particularly critical of the unanticipated generosity of the Commonwealth Government in providing excess recurrent grants to universities in the first two triennia, due to the AUC's estimates being based on the inflated enrolment projections from individual universities. These overestimates had been 4.2 per cent in the first triennium (1961-63) and 3.2 per cent in the second (1964-66). Treasury was most anxious that similar overpayments did not occur again.[27]

As well, Treasury was critical of what it considered to be the AUC's ambitious attempts to reduce the staff-student ratio in too short a space of time:

> . . . between 1961 and 1966 the ratio fell from 14.08% to 12.86% while by 1969 it is assumed to fall to 11.01%. Very roughly, in other words, the fall in the next three years is assumed to be half as great again as in the past five years. No doubt there is room for continuing improvement in standards but this seems a bit thick. . . . All in all, this preliminary examination suggests the need for asking some very sharp questions of the Commission.[28]

The AUC replied to the Treasury criticisms by writing to Jones in the Prime Minister's Department. In its reply, the AUC indicated that Treasury misunderstood the position due to its failure to appreciate the reasons for triennial estimates "from the inside"[29]. The AUC felt that the Treasury's interpretation of the overall staff-student ratios was misleading as it ignored the effects of the estab-

lishment of new universities and the increasing proportion of full time students on total enrolments.

Neither was the Prime Minister's Department happy with the quality of the draft Third Report as several senior officers had to spend three months producing "endless tables" for discussion and the draft had "numerous errors and inconsistencies" which were only resolved by extensive liaison with AUC staff.[30]

At the same time as these exchanges among the AUC, Prime Minister's Department and the Treasury, Gorton provided to the cabinet a paper which stressed the need for new and expanded measures in education none of which related to universities.[31] The decisions taken by cabinet as a consequence of this paper had important effects on the rejection of some of the financial proposals in the Third Report. Gorton put forward the view that education could no longer be considered the exclusive constitutional responsibility of the States and that such a position had in fact been abandoned in the tertiary, secondary and sub-tertiary technical education fields. It was Gorton's judgement that the Australian community expected greater Commonwealth involvement in education and it was up to the government to respond to this expectation both for its own electoral benefit and for the benefit of education.

A Treasury paper[32] prepared for and with the Treasurer (Mr W. McMahon) disagreed with Gorton's approach. It bluntly stated that the States, not the Commonwealth, had constitutional responsibility for education and that Commonwealth expenditure for education was expanding at an unreasonably fast rate. The Treasury paper showed that from 1954 to 1964 there had been a tenfold increase in grants to the States for education. The remainder of the Treasury paper consisted of detailed criticisms of the new measures in education that Gorton had put forward.

The cabinet decided that Treasury and the Minister for Education and Science should confer with a view to revising Gorton's proposals so that the call on the Commonwealth Budget would be reduced by approximately $10 million. It was the cabinet's wish that these "savings" were to be based principally on reductions of proposals made by the AUC in its Third Report.

Gorton and the Treasury officials conferred on 21 July and agreed on several proposals, later endorsed by cabinet. In September these proposals appeared in Gorton's speech in the Senate on the Third Report. In that speech Gorton indicated that the Commonwealth Government was not prepared to provide $1 million on a matching basis with the States for the purchasing of relatively expensive items of teaching and research equipment nor a grant of a similar amount for university library materials. Neither would the

Commonwealth provide for automatic adjustments in non-academic salaries during the triennium. These decisions were a reflection of the government's view that other areas of education required greater financial support:

> Indeed we felt, just as the States felt, that in total the suggested programs made too great a demand on the resources available for education, having regard to the competing claims of other tertiary institutions and of primary and secondary education and that some reduction was necessary.[33]

The cabinet had agreed also that the AUC and the Commonwealth Government should conduct an annual review of actual enrolments at each university to consider the effects of "short falling" of enrolments and the consequent overpayment of recurrent grants. Consideration was given to more effective liaison between the AUC and the Commonwealth and State Governments, including the suggestion from the Treasury that there be direct representation on the AUC of the Prime Minister's Department and Treasury. Finally, there was a decision that there was to be no change in the Commonwealth Government's attitude to academic salaries which were to be reviewed for the purpose of calculating Commonwealth recurrent grants only when a *prima facie* case for an increase had been made.

Martin seemed to accept the rejection of the Third Report with an air of defeat.[34] For him the task was finished and it was time someone else shouldered the burden. Before the end of 1966 he learnt with some disappointment that his successor was to be Mr C. L. S. Hewitt, a senior public servant from the Commonwealth Treasury.

Conclusion

By September 1966, a month after the AUC's Third Report was published, a rumour had spread abroad that the functions of the AUC were to be considerably reduced. It had become widely known that preparations were being made to create a Commonwealth Department of Education and it was feared by universities that in the future decisions concerning universities were to be put into the hands of bureaucrats. Accordingly, the AVCC wrote to Gorton asking for a delegation to discuss the need for the AUC to be continued in its present constitutional form.[35]

Although they were assured by letter from Gorton that the AUC was to continue, the AVCC wrote again emphasizing that it believed that the procedure whereby university proposals were subjected to

an informal and tough scrutiny by the AUC would be better received by government than individual submissions made by universities to a government department. Their letter defended the concept of the AUC but revealed discontent with its current operation:

> We should therefore be sorry to see any fundamental change in the purpose and function of the Commission though we do think that in some details, its constitution and modus operandi could be improved. For example, we think that important decisions have sometimes been taken without the Commission as a whole being consulted and this has on occasion given rise to difficulty and even to hesitation about the Commission's impartiality.[36]

The AVCC went on to express the view that the Chairman's workload was too great and a full time deputy was needed. As is described in the next chapter, Gorton held a meeting with the AVCC to discuss these matters.

Despite these growing difficulties, the AUC's achievements from 1959 to 1966 were remarkable. Through its advice to the Commonwealth Government, it had fostered the most impressive and sustained period of growth in the history of universities in Australia. The student population had trebled from around 35,000 in 1957 to over 95,000 in 1966 and there had been a doubling of the proportion of the GNP allocated to universities by government in the form of grants. Since 1960, five new universities had commenced: Monash and La Trobe in Victoria, Flinders in South Australia and Macquarie and Newcastle in New South Wales. The year 1966 became a watershed in that after that time the rate of growth in university student numbers began to decline and the earlier spectacular growth of universities began to be matched by growth elsewhere in education, particularly in the new Colleges of Advanced Education sector.

Sufficient evidence has been given in this chapter to show that the federal government rejected the financial proposals put to it in the Third Report for three major reasons.

First, the Commonwealth cabinet was not convinced that the financial proposals put forward represented a realistic picture of the recurrent and capital needs of universities. This conviction indicated that the influence of the AUC in Canberra had reached a low point. Cabinet reduced these recommendations in order to support further expenditure in other areas of education.

Second, the States refused to match the draft proposals of the AUC for the third triennium. In an interview, the present Chairman of the Commonwealth Tertiary Education Commission, Professor P. H. Karmel, said that it was believed that recommendations for the

third triennium had not followed the same degree of consultation with the States as had marked the previous triennia. Karmel's view is supported by the evidence provided in this chapter. Due to its work overload, the AUC had to disperse its efforts too thinly. Weakened by the enormous energies expended in producing both the Martin Report 18 months earlier, and the Report on the Teaching Costs of Medical Hospitals, the AUC had little reserve left to devote to detailed discussions with the States on the Third Report proposals. The AUC's decision to use the 1966 Premiers' Conference as a supplementary forum was conspicuously unsuccessful. The recommendations of the Third Report seemed to have been based on inadequate information by a grossly overworked secretariat staff with little critical assessment by the AUC as a committee.

The third reason lay in the nature of Australia's federal system. Much of the earlier success of the AUC seemed to stem from its adoption of similar procedures to those that had been found to work well in Britain for the University Grants Committee. However, the United Kingdom had a unitary system of government and differences which distinguished the Australian from the British scene were not at first recognized. By the time of the Third Report the changing balance of power had distorted the original AUC function and it was becoming increasingly unworkable. It almost seemed beyond possibility successfully to mediate between two levels of government when the federal level had demonstrable and increasing fiscal dominance over the State level.

It has been shown too in this chapter that the Department of the Prime Minister had an increasingly important role in advising Gorton on the future functions of the AUC and, after the demise of the Third Report, in negotiating with the States to establish the maximum level of matching grants for universities which the States were prepared to support. Apparently, this increase in the role of the Prime Minister's Department was not openly resented by the AUC.

In academic circles a crisis of confidence in the AUC followed the Third Report. A lot of Australian academics had adopted the habit of thinking that it was the function of the AUC to argue the case for universities as seen by people in the universities. One academic expressed his feelings as follows: "The breakdown this year in the system of university finance as a result of deteriorating Federal-State financial relationships has plunged Australian universities back into their darkest pre-Murray days".[37]

Towards the end of 1966 *The Australian* began to run a series of articles on the alleged effects of cuts in expenditure on Australian universities. The mood of the articles was despondent and the authors felt the universities faced a grim future:

> Not for many years have the winds now blowing through universities been as chill and the uncertainty among academics and administrators so great . . . .
>
> Many academics believe that the Commonwealth and the States between them will increasingly decide what new projects and faculties the universities shall launch.[38]

As the next chapter will show, restoring the confidence of both Commonwealth and State levels of government became the AUC's most important priority in the third triennium.

Notes

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3. A. H. Halsey, "The University and the State", *Universities Quarterly* (Spring, 1969): 140.
4. Australia. *CPD,* HOR 48 (28 September 1965): 1346.
5. Commonwealth Archives. *64/2445,* "Functions of the AUC", File note, 5 May 1964.
6. Transcript of author's interview with Mr L. Moore.
7. Transcript of author's interview with Sir James Vernon.
8. This was changed in 1964 to Minister-in-Charge of Commonwealth Activities in Education and Research.
9. Alan Trengrove, *John Grey Gorton: an Informal Biography* (Melbourne: Cassell, 1969), p. 135.
10. CTEC. *AUC 64/8,* Letter from Prime Minister to Martin, 12 February 1964.
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12. *AUC 66/38,* Meeting 77, 15 February 1966, *Appendix 1.*
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14. Peter Self, *Administrative Theories and Politics* (London: George Allen & Unwin, 1972), p. 161.
15. CTEC. *AUC 65/313,* Meeting 75, 7 December 1965, p. 7.
16. CTEC. *AUC 65/313. Ibid.*
17. Australia. *CPD* Senate S. 33 (6 April 1964): 628-51.
18. The Commonwealth of Australia. *ACT No. 30 of 1959,* Section 14(1).
19. Archives. *7/6/1,* Letter from Chairman of AVCC to Martin, 22 June 1965.
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21. *Third Report of the Australian Universities Commission on Australian Universities 1964-1969* (Canberra: Government Printer, 1966), para. 6.10.
22. Australia. *CPD.* Senate S32 (21 September 1966): 587.
23. CTEC. *AUC 65/158,* Meeting 81, 8 May 1966, p. 12.
24. Transcript of interview with Sir Ernest Coates, *op. cit.*
25. *Ibid.*

26. CTEC. *AUC 66/237*, Meeting 85, 22 June, p. 2.
27. CTEC. *AUC 66/232*, Copy of Treasury minute of 6 July 1966.
28. *Ibid.*, Copy of Treasury minute of 7 July 1966.
29. *66/232, op. cit.*, Dexter to Jones, 15 July 1966.
30. Archives. *69/2200*, Minute to Jones, 10 December 1968.
31. Department of Education and Science. *DES 37*, 13 July 1966, Gorton Cabinet Paper, "New and Expanded Measures in Education".
32. *DES 37*, Gorton Cabinet Paper, *op. cit.*
33. Australia. *CPD*. Senate 32 (21 September 1966): 582-89, p. 579.
34. CTEC. *AUC 66/287*, Meeting 88, 22 August 1966.
35. Archives. *7/6/1*. AVCC, Letter to Gorton of 7 September 1966.
36. *7/6/1, op. cit.*, Letter to Gorton of 23 September, 1966.
37. *The Australian*, 11 November 1966. Letter from Professor J. N. Lewis, Chairman, Professional Board, University of New England.
38. *The Australian*, G. Williams, "Cash Loss Spells Bleak Future for Universities", 27 December 1966.

7
Buffer . . . or Bureaucrat: 1967–69

For the first two triennia (1960-1966) the leadership of the AUC remained unchanged as did the key personnel of the inadequately staffed secretariat. This continuity altered in the third triennium (1967-1969). Successively, two chairmen served two different ministers and there were considerable changes in the size and personnel of the secretariat. From 1967 to early 1968 Mr C. L. S. Hewitt was Chairman and Gorton became Minister for Education and Science; then Gorton became Prime Minister on 10 January 1968 and not long afterwards he asked Hewitt to become Secretary of the Prime Minister's Department. Hewitt was succeeded as Chairman of the AUC in March 1968 by Sir Henry Basten. Mr Malcolm Fraser succeeded Gorton as Minister for Education and Science. Mr Fraser's term of office as minister continued until November 1969.

These changes in the Commonwealth education portfolio occurred at the same time as considerable alteration in the balance of power in the Commonwealth Parliament whereby there was a reduction in the number of parliamentary seats held by the Liberal-Country Party coalition Government.

In the 1966 elections there was little sign of this change as the government was returned with a comfortable majority. In his election speech the Prime Minister, Mr Harold Holt, made three promises for education, none of which impinged on universities. First, the financial contribution to secondary science facilities in non-government schools was doubled. Second, the Commonwealth provided $24 million in unmatched capital grants to the States for the construction and equipping of teachers' colleges. Third, a Ministry of Education and Science, a full cabinet post, was created and within it was established the Department of Education and Science to take over the functions of the Education Division of the Prime Minister's Department and the COE.

In mid-1967 there was a Senate election and the result confirmed the existing situation of a deadlocked Senate, except that in the event of the DLP and the ALP combining they could override the government even when it had the support of the Independent Senator. At that election, Prime Minister Holt made reference to, as

a future possibility, aid of $27 million over three years to the States for the erection, extension and equipping of secondary school libraries and the training of library specialists. As in the 1966 general election, there were no specific promises for universities.

After the extraordinary disappearance and death of the Prime Minister, Mr Harold Holt, on 17 December 1967, the Liberal Party chose Gorton as their leader. To lead the government in the House of Representatives as Prime Minister, Gorton relinquished his Senate seat and contested Holt's House of Representatives seat of Higgins which he won on 15 February 1968. Throughout 1968, and particularly in its closing months, Gorton continually asserted the need for supreme federal authority in economic and financial matters. Gorton's apparent centralist posture seemed adversely to affect the attitude of the States towards future Commonwealth involvement in education and caused a noticeable deterioration in Commonwealth-State relations. It may have also lost him and the government favour with the electorate. As one newspaper put it at the time: "Ever since Mr Gorton has become Prime Minister, the tone of Federal-State relations has become steadily more acerbic".[1]

In October 1969 a national election was held and there was a dramatic swing against the Government with the ALP obtaining 59 seats, the Liberal Party 46 and the Country Party 20. By the end of the 1960s the clear majority in the House of Representatives which the Liberal-Country Party Government had maintained for a decade had been greatly reduced and the balance of power between the political parties resembled very much the situation as it had stood ten years earlier.

At the commencement of the third triennium, from the point of view of people supporting the universities' cause, it seemed that the Commonwealth Government was no longer confident that universities were spending public money efficiently. And for their part, many university administrators were of the opinion that sufficient public money was not being allocated to them in a way which encouraged rational planning of universities on a national basis and of each university individually.

Three years later, on 21 August 1969, the AUC's Fourth Report was tabled in the House of Representatives. As will be described in this chapter, both levels of government accepted it without demur. But universities strongly criticized the recommendations as being too low in relation to current expenditure and prospective costs. As an example of this dissatisfaction, in 1970 the Federal Executive of the Federation of University Staff Associations (FAUSA) wrote to the new Minister for Education and Science (Mr Nigel Bowen) suggesting that the Commonwealth/State financial formula for funding univers-

ities was out of date and that a "new Murray Inquiry" was needed.[2] FAUSA put the view that the AUC had not represented adequately the needs of universities to government as it had failed to make recommendations based on realistic assessments of actual needs nor had it explained fully in its Report the reasons for its recommendations.

It is of interest to note that at that time a similar mood of disappointment was also evident among British academics. In November 1967 the UGC produced its quinquennial report and with it a memorandum of general guidance for universities. According to Ashby the memorandum was of historical importance as it marked an inevitable change on the part of the attitude of the UGC which up to then had regarded each university as a "good lawyer regards his clients" and encouraged each university to develop according to its own "inner logic".[3] The most unattractive feature of the memorandum was that it did not set out unambiguously what was expected of British universities in return for the public support they received. In 1964 the UGC had been transferred from the Treasury to the Department of Education and Science as a result of the government's acceptance of the Robbins Report; as a result of a special report of the Public Accounts Committee in January 1967, the books and records of the universities and the UGC were open to the inspection of the Comptroller and the Auditor General. One observer, Halsey, described the situation as follows: "Until half a dozen years ago there was no more congratulatory body than the British University Grants Committee. Now all is turmoil and doubt."[4]

A principal reason underlying this change in both countries was that, due to a crisis of university places in the early 1960s, the beginning of the era of mass post-secondary education that followed it and the large increases in school populations, by 1969 the management of education had become one of the most costly and complex questions to be undertaken by governments. In Australia from 1948/49 to 1968/69 private and public expenditure on education increased from 1.7 to 4.1 per cent of the Gross National Product, or from a total outlay of $74 million in the earlier years to no less than $1,115 million in the latter years. Public authority expenditure relating to education by 1969 amounted to about a quarter of the total public authority expenditure on goods and services, compared with the corresponding figure for defence and repatriation of about one-third, and for public health and welfare of about one-sixth.

Progressively, the Commonwealth Government became more involved in every aspect of education. Its outlays on recurrent and capital expenditure had increased between 1948/49 and 1967/68

from $1 million to $142 million and a very significant part of that expenditure was on universities. From 1958 university expenditure rose from 0.3 per cent of the GNP to 0.59 per cent in 1968 and 0.8 per cent in 1970. During the first three triennia of the AUC, from 1958 to 1968, university expenditure had doubled as a percentage of total education expenditure and very nearly doubled as a percentage of GNP.

After the Martin Report of August 1964, the Commonwealth Government had broadened its role to encompass tertiary development in areas other than universities. The decision of the Commonwealth Government in educational planning to deal separately with technical, university and CAE sectors was to some extent inevitable in the Australian federal structure with its divisions of responsibility between Commonwealth and State. However, according to Borrie (and other observers) in 1970: ". . . but from now an increasing co-ordination in policy decisions will be essential if resources are to be efficiently allocated and used – from higher secondary right through to universities".[5]

As a result of these changes, by the end of the 1960s was the AUC's image less that of a buffer and more that of bureaucrat?

Hewitt's perceptions of the AUC's role

In October 1966 a deputation from the AVCC met Senator Gorton to discuss the future of the AUC and to suggest possible successors to Sir Leslie Martin. When Gorton asked the members of the deputation for a reaction to the possible appointment of a public servant as a successor, they were unenthusiastic. At that time Gorton had Hewitt in mind. Not long afterwards Hewitt accepted the appointment but did not actually commence as Chairman until 1 January 1967.

It is interesting to note that Hewitt has claimed that at no time during this period did he have contact with his predecessor:

> Being more than fully occupied until Christmas Eve 1966 in my duties as Deputy Secretary of the Treasury, I had no contact with the then Chairman or any officers of the Commission. I knew a good deal of the functions of the Commission from previous experience in Treasury. I spent the days between Christmas and New Year reading the Commission's previous reports. I had no information from my predecessor at all.[6]

In the Senate in late October 1966, Gorton announced Hewitt's

five-year appointment as Chairman. His announcement included a description of Hewitt's qualifications for the position:

> As successor to Sir Leslie, the Government has chosen Mr C. L. S. Hewitt who is presently the Deputy Secretary (Supply and General) in the Australian Treasury. Mr Hewitt is a graduate in Commerce of the University of Melbourne and holds specialist qualifications in Accountancy. He has been made an Officer of the Order of the British Empire in recognition of his public service.
>
> Mr Hewitt has been a senior officer of the Treasury for 13 years. Prior to that he held the positions of Official Secretary and Acting Deputy High Commissioner at Australia House, London and at an earlier date was an economist in the Department of Post-War Reconstruction.
>
> Mr Hewitt has been an outstanding administrator and adviser to the Government in a wide range of important matters, and we are confident that he will serve the universities, the Australian and State governments and the nation well in this capacity.[7]

Hewitt was carefully and deliberately chosen by Gorton as someone who could not be labelled as belonging either to the university or the government. He wanted Hewitt's appointment to be seen in as an impartial a light as possible. Gorton saw Hewitt's function as Chairman and the role of the AUC as follows:

> . . . Hewitt, as Chairman of the Commission, will operate as did his predecessor. That is to say he will receive submissions from universities as to what those universities desire in capital and recurrent grants. He will form a judgement with his Commission as to what he will recommend to Government and Governments will decide whether his recommendations will be accepted in whole or in part.[8]

Gorton was determined that in future triennia, through controls exercised by Hewitt, the universities would become more accountable for their spending, particularly of recurrent funds.

After the announcement of Hewitt's appointment there was some protest from academic circles: since Hewitt was a public servant, his appointment was contrary to the principles laid down in the creation of the AUC. However, the protest had no real substance and it was short lived. According to a minute of Jones to the Secretary of the Department of the Prime Minister[9] there was nothing in the records to support the contention of the protesters, nor could anything be found in the Murray Report or supporting documents or the Second Reading Speech creating the AUC.

For some supporters of a more efficient universities system, the

arrival of Hewitt was a sign of hope. For them, in times when public money was becoming more difficult to obtain, the universities would have someone responsible for representing their interests to government who had a reputation for success in hard bargaining.

Critics of the AUC and supporters of the autonomy of universities have asserted that Hewitt's appointment and personal style exacerbated the already worsening relations among the universities, the AUC and the government. However, it needs to be pointed out that Hewitt was appointed at a time when the federal government believed that universities, for various reasons, were not providing a realistic assessment of their needs to the AUC. Hewitt's main and unenviable task was to try to remedy this situation. It has also been asserted that Hewitt's appointment was resented by those who felt he did not have a true understanding of university problems as he was a career public servant, not a "university" man. In an interview Hewitt challenged this view claiming it was a misinterpretation of his background and outlook:

> ... it was a total misconception as I had as much right to the term as anyone both as a former graduate and as a part-time lecturer. It was a view typical of the ill-informed and ill-advised denigration that goes on.[10]

Nevertheless, Hewitt's perceptions of the functions of the AUC did differ considerably from those of Martin. Hewitt's background in the Commonwealth Treasury and his outlook influenced his judgement as to what were the priorities for the future role of the AUC. In Chapter 3 it was asserted that perceiving the "appreciative systems" of key policy-makers was an important factor in understanding the coordinating role of the AUC. As Self has pointed out, training, knowledge and experience are central factors influencing appreciative judgement:

> The way in which any official approaches an issue will depend both upon his institutional position, and upon his knowledge, training and experience. All these factors will influence his appreciative judgement which includes, as Sir Geoffrey Vickers points out, both a view of the relevant facts of the situation (a reality judgement) and also a view of the significance of those facts for the officials' responsibilities or aims (a value judgement).[1]

Evidence of the effect of Hewitt's views on changing the role of the AUC will be presented in this and subsequent chapters.

When Hewitt became Chairman there was a conspicuous alteration in the AUC's administrative style. The most obvious change was

that the earlier secretary, Mr Dexter, left and was replaced by Mr Kaye, who had worked for Hewitt in the Treasury. In an interview Kaye described the new Chairman as:

> Determined, most conscientious in doing his homework, loyal to his Minister, never criticising ministerial decisions to his colleagues. Perhaps daunting initially to proponents of submissions, once convinced that they had a need, he could become a most valuable ally.[2]

During the fourteen months' term of office of Hewitt the somewhat arbitrary methods of estimating universities' capital and recurrent needs which had characterized Martin's approach in the Third and earlier Reports were replaced by a rigorous pursuit for figures and facts.

Unlike the distance which existed between Gorton and Martin, Hewitt felt he had "excellent, intimate and the closest working relations" with his minister. Although some critics have claimed Gorton's approach as centralist and have felt he was prepared to override State interests, Hewitt did not see Gorton's approach in that light:

> I saw his objective to provide an equal standard of opportunity in university education whether a person lived in Western Australia or New South Wales, in Sydney or in New England and unless some coordinated view was applied over the whole country then there would be a perpetuation of differing standards yet funded and provided for from the one single purse. Once the central government undertook the bulk of the responsibility for the funding of universities it had a responsibility to the electorate to ensure evenhandedness between universities. But I would not attach the opprobrium "centralist" to that common-sense attitude.[13]

Hewitt understood it was Gorton's expectation that the AUC would discharge its responsibility to him as the minister as would any "statutory authority responsible to a minister of State". In order to maintain a direct link with Gorton and the independence of the AUC, Hewitt was determined to avoid being subject to the authority of the newly established Department of Education and Science. With Gorton's concurrence Hewitt drafted legislation which enabled the AUC's staff to be employed under the Public Service Act rather than through the staff ceilings of the Department of Education and Science. The legislation, which was assented to in November 1968, also provided the Chairman with the powers of a Permanent Head as was in the Commonwealth statutes relating to the Auditor General and the Chairman of the Public Service

Board.[14] In an interview, Hewitt stated that he believed little difference existed between the relationship of a permanent head to his minister and that of the head of a statutory authority. This view was not shared with previous and successive Chairmen of the AUC who believed that if the AUC was to provide independent advice it was necessary for the Chairman to be seen to be as independent as possible from the minister.

Basten's perception of the function of the AUC

Due to the sudden disappearance of Prime Minister Holt in December 1967, the election of Gorton as his successor and Gorton's decision to have Hewitt as the Secretary to the Department of the Prime Minister, a new Chairman of the AUC had to be found without delay. The choice of Sir Henry Basten was made by Gorton, Hewitt and the new Minister for Education and Science, Mr Malcolm Fraser.[15] Two major reasons for the choice were that Basten possessed distinguished public administrative experience as Chairman and General Manager of the Singapore and Penang Harbour Board and that he had recently resigned as Vice-Chancellor of the University of Adelaide where he had been highly respected.

Basten was informed of his appointment in January 1968, two months before it was announced and he had several discussions with Hewitt before taking up office.[16] As his first assignment was to accompany Fraser on an official visit to Italy (and eventually to lead the delegation, due to Fraser's early return to Australia), he commenced the Fourth Report rather late (May 1968). The Report was published exactly twelve months later. The most important priority for the future of the AUC as perceived by Basten was to present a report which had the concurrence of both Commonwealth and State Governments. Sensitive to the role of State Governments in the rejection of the AUC's Third Report and aware of States' dislike of matching arrangements, Basten was very concerned that the AUC conduct successful negotiations with them.

As with Hewitt, Basten had a close working relationship with his minister, Fraser, but for at least two additional reasons. First, unlike Gorton, Fraser needed to spend more time coordinating the activities of the university and CAE sectors, particularly as a result of the rapid growth in courses and numbers of students in CAEs. This required regular consultation with the chairmen of the AUC and the CACAE. Second, there was the need for Basten and Fraser to work together to attempt to solve the problem of the growing unpopularity of radical and dissatisfied elements among university

staff and students. The public were expressing discontent with students "getting rampant" (particularly over the Vietnam issue) and with academic staff who thought they must "go on forever getting more and more money".[17]

As a consequence, the AUC needed to undertake an increasing number of replies to parliamentary questions and letters to the minister and Basten had to prepare ministerial speeches. These activities, which had not been a significant feature of the AUC's functions up to that time, signified its growing executive role.

Both Fraser and Basten had similar views on the function of the AUC as a statutory advisory authority and of the role of the Commonwealth Government in tertiary education. In many ways this view resembled the traditional view with the additional element of cooperation with the CACAE in promoting balanced development of tertiary education as a whole. Fraser expressed it as follows:

> I see the role of the Commonwealth Government itself as being one of cooperation with the States to provide a system of tertiary education which will meet both the inclinations of the different kinds of students seeking higher education and also the needs of employers and society at large for different kinds of qualifications. The Commonwealth Government should and does leave to the AUC and the Commonwealth Advisory Committee on Advanced Education the detailed examination of proposals put forward by universities and CAEs. We look to those bodies for the balanced development of tertiary education and expect them to consult with each other and with State governments and with universities and colleges.[18]

AUC relations with the Department of Education and Science

At the same time as Hewitt began as Chairman (January 1967) the Department of Education and Science (DES) commenced its operations. Discontent over its establishment was expressed by some academics who felt it was an example of centralism and an unnecessary intrusion into State affairs. As one Vice-Chancellor declared:

> . . . Section 81 of the Constitution authorized the Commonwealth to appropriate money for the purposes of the Commonwealth. In this case, it appropriated funds for the establishment of a Department.[19]

Almost all of the new department's senior staff had been employed either within the old Education Division or the COE. Some of these staff had been appointed to the CACAE or ARGC secretariats which, as committees, maintained closer links with the new depart-

ment than did the AUC. It is of significance that during the rest of the 1960s the Prime Minister's Department had little direct influence on education. This was due in no small part to Gorton's wish when he became Prime Minister to allow Fraser as minister to operate the education portfolio independently.

Against his own inclination but acting on strong advice from the Secretary of Prime Minister's Department (Sir John Bunting) and the Public Service Board, Gorton appointed Sir Hugh Ennor, Deputy Vice-Chancellor of the ANU, as the department's first Permanent Head. Gorton had wanted to appoint Jones.[20] Unlike the UK, where the new Department of Education had subsumed the UGC, in Australia Gorton made it clear that the new department was not to have a coordinating role with respect to the AUC. According to Hewitt, the independence of the AUC was strongly maintained: "... despite attempts of the Department of Education and Science to run the commission, to run me, and indeed take over my function. The attempts were slaughtered".[21]

As an example of Gorton's attitude, in June 1967 Ennor suggested that as some members of the AUC were likely to resign he would like to give some consideration to new members. Gorton responded by advising that although he had no objections to Ennor making suggestions as long as he did not discuss them with anyone or approach anyone, the initiative in meeting the problem should come from Hewitt.[22] A little later the department heard of the resignation of a member of the AUC (Sir David Derham) but was not involved at all in choosing his successor.

During the chairmanship of Basten, although the independent stance of the AUC continued, closer links with DES were forged. In December 1968 departmental officers wrote to Jones (First Assistant Secretary) seeking guidance on the possible role of the department in providing alternative advice to the government on the AUC's forthcoming Fourth Report:

> This whole matter raises a number of questions because the Department has, on instructions, not been closely involved in general university matters. Even the legislation is now solely a matter between the Commission and the Minister. We no longer know the day to day matters which come up between universities and the government.[23]

Not long afterwards Jones consulted with Basten, who provided the view that, as in past triennia, the quality of universities' submissions had been disappointing and that State Governments had indicated a favourable attitude to the Fourth Report. Basten agreed to forward the proposals to DES (and to Treasury). The Department of Educa-

tion and Science then approached the States in relation to both the AUC and the CACAE recommendations.[24] Treasury demographic experts then studied the AUC's recurrent recommendations and found them to be in accordance with their own projections of enrolments. In June, prior to cabinet consideration of the Fourth Report, Jones wrote to Ennor indicating the attitude he felt he should adopt:

> I would prefer not to conduct a State by State discussion of the AUC's Report on short notice as was done on the previous occasion and I would wish to avoid any suggestion that the government or Departmental officers had made specific deletions from the programs to be forwarded either by the Commission or the [CACAE] Committee.[25]

Subsequently, the department provided a cabinet submission on the Fourth Report proposals which was in general accord with the submission made by the AUC.

Relations with the States, 1967-1969

As a result of the rejection of the Third Report both Hewitt and Basten found that all was not well between the AUC and the States. At that time (1967) as had been done since the Murray Report, the Commonwealth provided recurrent funding of universities on the basis of $1 Commonwealth for each $1.85 of State funds and fees and capital funding on the basis of $1 for $1 with the States. The Commonwealth also provided capital grants to meet half the cost of approved projects for affiliated residential colleges, the remainder being found from college and State sources and unmatched grants for the running of student residences. Finally, the AUC's recommendations for special research grants to supplement amounts for research included within the recurrent grants were on a $1 for $1 basis.

There were three main reasons for the States' discontent. First, since 1965 some of the States had been dissatisfied with the matching arrangements for funding research, particularly with the method of funding research projects through the Australian Research Grants Committee (ARGC). (The ARGC and other aspects of research funding are considered in detail in Chapter 10.) Second, since their experiences with the Third Report, the States felt that far more thorough consultations with the AUC were needed. Third, the States were unable to match Commonwealth proposals for universities without serious inroads into the funds set aside for other education projects. According to Mathews, the discontent would not

have risen to such heights if the States had not been in such a tight budget situation due to the operation of uniform tax arrangements or constraints from the Loans Council on the States' powers of revenue raising.[26] In order to obtain more money, the States were continually haggling with the Commonwealth Government over the size of financial assistance grants and the total revenues.

During 1967 the States encouraged the Commonwealth to assume greater financial responsibility for the universities' sector. At the Premiers' Conference that year Premier Bolte (Victoria) requested, on behalf of the States, that the universities' recurrent funding formula be brought into line with the capital funding formula and so provide an overall matching formula of $1 Commonwealth for $1 State.

Although this request received strong support from several of the State Liberal Parties, the Commonwealth did not agree to it. A major reason for this was that as a result of the inclusion of fees paid by Commonwealth Scholarship students with the State grants in the matching formula, the Commonwealth was already supporting the universities *vis-à-vis* the States to a much greater degree than the base formula 1:1.85 suggested. On the basis of the existing formula, increases in student fees had meant a proportionate saving in State Government grants. The figures of the Commonwealth Statistician for 1965 showed that the total grant to Australian universities in that year was $152 million. Within this total the States' Governments recurrent grants for 1965 rose to $38 million, student fees to $15 million and the Commonwealth Government's recurrent grants amounted to $29 million. (The amounts of fees paid to universities by the Commonwealth varied in 1965 from 46 per cent at the University of Sydney to 2 per cent at the University of New South Wales.)

Hewitt did not have the opportunity to engage in extensive consultation with the States, as he became secretary to the Prime Minister's Department in March 1968. His successor, Basten, visited the States late in 1968 and early in 1969. By then the rounds of discussions with State authorities had become far more complex for two reasons. First, although in every State the AUC continued to have direct and detailed discussions with State Treasury officials, they also needed to consult with new State advisory agencies in tertiary education.[27] For example, in New South Wales by 1969 the growth in costs of tertiary education had made necessary the establishment of the New South Wales Universities Board and in that State the AUC had to hold separate consultations. Basten pointed this out in discussions with Fraser:

> . . . if two sets of advice were received by the State Government, from the AUC and the Universities Board, the obvious course for the State Government to adopt would be to accept the lowest "bid".[28]

The second reason was that although the States as a whole still considered the AUC as the expert in the field of universities and continued to seek AUC advice, some States had developed an attitude of mistrust. According to Basten, several of the larger States "wanted an end to the AUC":

> The States had ganged up to reject the Martin Report. I had the impression that some States would read into that the death of the Commission . . . The States disliked the matching arrangements which they saw as amounting to the Commonwealth telling them how much they were to put into their universities. The negotiations with the States were very arduous. Some States wanted pre-1958 conditions.[29]

To counteract this, Basten was particularly careful to consult fully with each of the States to obtain their support. One way in which he did this was by obtaining the acceptance to the Fourth Report proposals of the two "less hostile" States[30] and then approaching the others with this backing. Basten was very sensitive to the need to put forward recommendations which had a reasonable chance of acceptance as "in order to survive, the AUC had to survive as respected by governments".[31] Basten believed that if the Fourth Report had been rejected, then "the Commission would have been dead". According to two observers interviewed, this delicate task of negotiation was Basten's major contribution to the AUC.[32]

By May 1969 the Fourth Report had been published and it was sent to the States a month later. It was claimed in the minister's cabinet submission on the Fourth Report that the AUC had consulted with the States "very scrupulously during the course of its deliberations".[33] The Report was accepted by governments at both levels, except for the recommendation concerning the establishment of a new faculty of Veterinary Science. In early August the Prime Minister, Gorton, wrote to all Premiers expressing the hope that:

> . . . As a result of consultations between the Commonwealth and your State, we have been able to establish an acceptable level of expenditure and a realistic one, taking account of all our commitments.[34]

It is important to note that all these Commonwealth/State negotiations were completed before the tabling of the Fourth Report in the Commonwealth Parliament on 21 August 1969 and its subsequent debate in September.

It has been demonstrated in this section that the influence of the States was of paramount importance in the level of grants recommended in the Fourth Report. In the AUC's First and Second Reports the recommendations had been formulated mainly by the AUC, Menzies and the cabinet with the agreement of the States. With the Third Report the States' objections were supported by the Commonwealth. The Fourth Report became the subject of discussions between the federal and State authorities and the Commonwealth grants were adjusted to meet what the States individually were prepared to contribute. The States were experiencing real problems in meeting their share of the funds for universities and changes in the system were inevitable. As the primary taxing authority, the Commonwealth could more easily find substantial sums for new ventures whereas the States found it necessary to commit an unreasonably high proportion of their income to attracting the maximum Commonwealth grants for universities to the detriment of other phases of State development. For the 1967-69 triennium, the States accepted the opportunity of emphasizing these difficulties.

University autonomy and the Third Triennium

In November 1966 Dr J. A. L. Matheson became Chairman of the AVCC. Earlier in the 1960s, during the rapid and controversial development of Monash, Matheson, as Vice-Chancellor, had several disagreements with the AUC. However, during 1967, Matheson was to champion the cause of the AUC and to support universities against what he believed was unfair treatment by governments.

During the years that Martin was Chairman of the AUC, informal relations between the AUC and the AVCC had proved to be neither particularly close nor productive. Formally the AVCC had met the AUC on five occasions, and there had been a conscious effort on the part of both organizations to avoid strong official links. In order to maintain the impartial position of the AUC as a coordinating agency Martin did not wish it to be closely identified with the AVCC.

In December 1966 Martin retired and in that month Matheson wrote to Gorton offering the full cooperation of the AVCC in any of the minister's endeavours concerning universities and pointing out that the universities could be in difficulty as a result of the government's proposed financial cuts.[35] Matheson expressed the hope that the AUC would be fully involved in the government's plans for tertiary education "so that the whole process can be carefully thought out".[36]

In reply Gorton reiterated his firm belief that the function of the AUC was to provide advice and that it was government which took decisions on the funding of universities. He did not consider that it could be taken for granted that the recommendations of the AUC would be accepted merely because they had been made. The most critical factor to Gorton was the initial decision of the State Governments as to the amount they were prepared to provide to universities as it governed the Commonwealth's contribution. Matheson was not entirely satisfied with Gorton's reply so he wrote again to Gorton pointing out that the seriousness of the position facing universities necessitated urgent alternative funding procedures to be planned.

Not long after Matheson's letter, Gorton, in a short but important statement in the Senate, strongly defended the academic independence of universities. At the same time he cautiously foreshadowed federal government interest in at least earmarking broad subcategories of the financial allocation to universities:

> I would fight to the last ditch to prevent a real interference with the independence of universities. I would fight to prevent governments saying to universities: "You must teach this and you must not teach that. This you must teach in this way, and the other you must not teach in the other way." But to decide the total level of resources available for various levels of education, including university education and apportion them between capital grants whether for buildings, hospitals or student residences, cannot be represented as any interference with the independence of a university, nor could it be so represented if governments in the future were to say: "This much is allocated for post-graduate research in your universities and this much is allowed for undergraduate research. Within those areas spend it as you like".[37]

By the middle of 1967 it appeared to Matheson that the Commonwealth Government was not only unsympathetic to the views expressed by the AUC but was not prepared to act. As Matheson felt that Australian universities would have a tough time in obtaining necessary funds, particularly the newest universities (La Trobe, Macquarie and Flinders), he decided to make his feelings known publicly:

> ... The attitude of the present Federal Government is less sympathetic to universities than that of the Menzies Government. There is a tendency to say "Universities have done pretty well, perhaps it's time we put more money into CAEs". Maybe we have to pay more attention to letting politicians understand what we are trying to do and why we need more funds.[38]

Both the inexorable effect of the government providing more and

more finance and the gradual intrusion of the AUC into university building standards through the establishment of greater regulatory controls had led to the AVCC becoming concerned that public accountability was beginning to outweigh institutional autonomy in the government's plan for university development.

By that time it was evident that the regulatory control of building expenditure and major new developments by the AUC ensured that the university system developed according to the Commission's general plans. However, as in previous triennia, the essential autonomy of the universities continued to be maintained. Universities were not bound to provide for the numbers of students given in the triennial reports, nor were they directed to make use of government funds in a particular way for the earmarked grants in areas such as special research and equipment. The form of planning for universities continued to be very open. The bulk of funds came to universities as recurrent grants and there was very little of this that universities were not free to allocate as they saw fit.

The views of Gorton on the balance between university autonomy and public accountability were adopted with little alteration by his ministerial successor, Mr Malcolm Fraser. His views are well illustrated in an article he wrote on university autonomy for the FAUSA publication *Vestes*. While Fraser saw the invitation to write the article as an opportunity, Basten saw it as a situation fraught with difficulty. Basten felt that in writing the article Fraser could adopt one of three approaches to university autonomy. First, he could express the untenable view that autonomy is not attainable when governments provide nearly all the money. Second, Fraser could express the equally unacceptable opposite view that autonomy ought to be an unchallengeable prerogative of universities. Or third, he could say that it was desirable for universities to be autonomous and that they would be so long as they paid due attention to the needs of the community and voluntarily held themselves accountable to society. Of the three alternatives Basten suggested the third but he felt that expression of it would be deplored and advised his minister against proceeding.[39] However, Fraser decided to go ahead and in the article he pointed out that institutional autonomy was respected through the Acts of Parliament establishing the university but that some understandable fears existed that such autonomy was being eroded by a rise in indirect government control through the power of the purse. To prevent the risk of government dictating to the universities, the AUC had been established as a practical means for improving the government's understanding of the needs of universities. Fraser then went on to say that a balance

needed to be struck between university autonomy and public accountability:

> Nevertheless, however determined the Government may be to preserve the autonomy of universities, it cannot shed its own accountability to the people of Australia, for, among other things, the use to which all public funds are put. If autonomy is to be maintained in our universities, they need to accept the responsibility of regarding themselves as accountable.[40]

Hewitt and Basten's views of balanced development

Hewitt held the opinion that the basis for university development which underlay the first three reports of the AUC was ill founded and a fundamental reappraisal was needed. Hewitt was particularly concerned with the "demonstrable waste" of physical and academic resources. He felt that the capital equipment of universities was underutilized as the academic year was too short and that institutions were not available for sufficient hours each day. He was also dismayed at the wasteful attitude whereby universities were prepared to admit students and then either fail them or allow them to abandon their courses at the end of first year.[41]

Hewitt was determined to account more thoroughly for recurrent expenditure especially as, with limited exceptions, the universities had freedom to spend recurrent grants as they saw fit and were not tied to an itemized allocation of the amounts provided. Because of the AUC's responsibility to promote the balanced development, Hewitt believed it was up to the AUC to exercise some initiative. Particularly as a result of experiences in the second triennium, Hewitt wanted the AUC to prescribe the use of recurrent grants on any new developments. As an example of the rigour with which Hewitt pursued this objective, during mid-1967 he uncovered evidence that some universities had been diverting recurrent funds both to subsidize halls of residence and to establish university presses and amortize their losses.[42] Hewitt was unable to advance his enquiries as he became Secretary of the Prime Minister's Department in early 1968.

As well as his concern to hold universities to account for the expenditure of recurrent grants, Hewitt became aware of complaints from the AVCC and individual Vice-Chancellors that the AUC requested too much detail in seeking to build up evidence of universities' needs for each triennium. As much of what the AUC asked for appeared to remain unused and as the collection of it was obviously burdensome and time consuming to university administrators, the

AVCC suggested the questionnaires should be revised and shortened.[43]

However, Hewitt took a different point of view. He felt that insufficient relevant and accurate information was reaching the AUC from universities. He particularly wanted information on student numbers, teaching hours per staff member and the size of tutorial groups, in order to allow him to undertake his fundamental reappraisal of the basis for university development. Subsequently, the universities received two new questionnaires. The universities objected strongly as they felt they were being asked to provide information that the AUC did not need to fulfil its statutory role; they also objected to the need to collect statistics hastily, particularly statistics which detailed forecasts of proposed changes and were very much a matter of guesswork.

For Vice-Chancellors this increase in paperwork was a clear sign of an extension in the regulatory role of the AUC and of the increasing centralization of control over university affairs. Understandably, Hewitt's unhesitating criticism of inefficiency and errors in university administration did not encourage greater immediate cooperation. However, the universities' grievances of "too much paperwork" did not diminish with the departure of Hewitt. Throughout 1968 to 1970 the AVCC made further submissions on the need to provide what they felt were more sensible questionnaires. To avoid needless waste of labour the AVCC pressed for common definitions, common forms and a single reference date for statistical returns. As has been previously shown, the solution to these problems lay as much with the universities as with the AUC.

When Basten succeeded Hewitt the AVCC acknowledged a further improvement in relations[44] and Basten was able to take immediate advantage of this to discuss such mutual issues of concern as the AUC questionnaires, the general management of submissions, AUC building procedures, increases in non-academic salaries and other items of recurrent expenditure during the triennium. For Basten, the routine of university visits followed the established practice of previous triennia. As with his two predecessors, he was unhappy with the poor quality of some university submissions which had neither been adequately edited nor checked for consistency.[45]

During 1968 and 1969 there was a considerable cost/income squeeze on the universities' budgets due to an increasing level of inflation. At the time, the AVCC made several submissions to the minister for Education and Science and to the AUC concerning the way in which inflation was undermining the principle and practice of triennial planning. As each State Government had increasing

difficulty in allocating funds to meet the needs of universities, some universities began to curtail their academic programmes.

At that time two possible solutions to these State financial problems were considered by such groups as the AVCC.[46] First, the formula for determining the universities' recurrent expenditure could be revised in favour of the States or, second, the States could quit the field of tertiary education altogether and make it exclusively a Commonwealth preserve.

University reaction to the Fourth Report

To universities the Fourth Report was a great disappointment. The strongest public critic, FAUSA, described the Report as the "worst yet".[47] FAUSA was particularly critical of what it considered was the secretive and uninformative nature of the Report. FAUSA was unhappy with the size of the grants which had been made for recurrent expenditure as a consequence of which many universities would be in serious financial difficulties in attempting to maintain their present standards. FAUSA was deeply disturbed as it felt that the tenor of the Fourth Report seemed to confirm a diminished role for the AUC.

Although the AVCC did not manifest its disappointment in such a public way, it was just as concerned and decided to undertake a comprehensive review of the Fourth Report and of the strengths and weaknesses of the AUC and to use the review as a basis for discussion with the Minister for Education and Science.[48]

In its report the AVCC stated that partly as a result of inadequate consultation, universities' claims were not given as favourable a hearing by government as they had been earlier in the 1960s. As a consequence the strength of the universities' case for greater financial assistance than that recommended was not conveyed to the minister or to any other readers of the Report. It seemed to the AVCC that despite the increasing competition in claims for public funds the AUC had been insufficiently hard headed about demonstrating to the government and the public the financial needs of universities.[49]

The AVCC was convinced that the built-in provisions for inflation were inadequate and that cost increases would erode capital grants making triennial academic planning impossible. They saw as most adverse the lack of forecasting in needs and trends in tertiary education and in clarifying the advisable relationships between the different sectors of tertiary education. In the absence of such forecasting the universities had no firm base from which to make their own plans. The Vice-Chancellors were also unhappy with the instruc-

tions on desirable or undesirable lines of development and expressed the view that AUC influence ought to be restricted to considerations on capital grants for buildings or to decisions on whether to support proposals to establish new faculties. As Sir John Crawford observed in the 1969 *Robert Garran Oration*:

> We are told, for example, that provision is made for non-academic salary increases, for achieving designated staff-student ratios and for approved new developments, but we are not told what these provisions are. In some cases requirements add up, on any reasonable calculation, to more than the sum allocated. There is need for a more frank and complete dialogue between the universities, individually and collectively and the Commission.[50]

Finally, the AVCC felt there was a need to strengthen the AUC's secretariat staff and commission so that it could provide better advice to government and universities in the future. They felt that the staff work for all the AUC Reports had been inadequate and was particularly noticeable in the Fourth Report where recommendations on recurrent expenditure were inconsistent with those on staff-student ratios. In the words of a Vice-Chancellor of the University of Sydney, "the Commission had got its sums wrong".[51] It was felt too that particularly as three of the eight AUC Commissioners had been there for most of the decade it was possible that some members of the Commission could have an insufficient grasp of contemporary needs in certain special areas.

These expressions of dissatisfaction with the Fourth Report by the AVCC and FAUSA are evidence of considerable disillusionment by the universities with the AUC. It seemed to them that the longer the AUC went on and the more the universities had to rely on government for funding, the more pervasive was government control over the activities of universities and the less effective was the AUC as an intermediary for the universities' claims.

In Britain a similar situation seemed to exist. The increase in paperwork for universities required by the UGC and its manifest concern for greater public accountability of universities was causing great discontent. As Kogan observed:

> These changes in control accompanied changes in the whole approach to universities and the universities' own expectations. The love affair between Whitehall and the universities became a dull marriage, in which timorous demands for freedom and constant nagging over household budgets became the main subject of the marital dialogue.[52]

Yet despite these signs of discontent, in the interests of maintaining the AUC as an independent advisory agency the general approach

of the AUC to its Fourth Report was probably well judged. The AUC had decided on the tactic of making recommendations which went just far enough beyond what the States felt they would accept to reduce the risks of rejection to an absolute minimum. The universities had come to regard the AUC as essentially their agent and they were not quick enough to perceive that Hewitt and Basten were in effect responding to political realities in their approach of looking both at universities' needs and the government's capacity to pay. The universities had overlooked as well that it was inevitable that with the increase in government financial support of universities there should be greater control by governments of university spending and so of university planning and operations.

Buffer or Bureaucrat?

To those critical of the functions of the AUC, one of the most disturbing features of the Fourth Report was the lack of information it contained on the techniques of financial analysis used to calculate recurrent and capital needs. As this lack was also reflected in the Reports of the CACAE, it meant that it was not possible to make meaningful financial comparisons across the tertiary sectors or between differing institutions. One critic (Mathews) suggested that the remedy to this situation was to put to better use the raw financial data supplied so as to contribute to more effective decision-making and financial control both between and within the university and college sectors. In his view the statistics provided to the AUC were being used mainly for cost per student ratios or staff-student ratios whereas what was needed was a cost and financial analysis approach which would guide resource allocation decisions.[53]

In the early 1970s, particularly with the appointment of Professor Karmel as Chairman in 1971, more effective methods of financial analysis were adopted by the AUC and positive gains were made. Notwithstanding this, the AUC faced further and deeper difficulties in making financial recommendations. The principal determinant of the distortion in the resource allocation process in tertiary education was the system of divided responsibility for education. The universities and the AUC were the victims of an unsatisfactory state of affairs in Commonwealth-State relations. The Commonwealth's intervention in support of universities while intended to prevent undesirable distorting effects, restricted States' allocations in other areas. As a consequence the Commonwealth was in a position to influence expenditure priorities in areas where it lacked the information needed to make effective choices. Yet

neither the States nor the Commonwealth were willing to put themselves in the position of acknowledging full responsibility for tertiary education.

By the end of the 1960s federalism in practice, as exhibited in the education sphere, was very different from the federalism of the days when the constitution was framed. During the 1960s the change in the federal balance was due to a large degree to positive decisions taken by federal politicians. Until 1967 only the Australian Labor Party (ALP) conspicuously advocated greater centralization. Its main opponents, the Liberal and Country Parties had in fact throughout the 1950s and early 1960s done a great deal towards increasing federal authority and activity but their official policy favoured maintenance of "States' rights" in a federal system. This situation changed in fact after 1967 because the new Prime Minister, Mr Gorton, showed strong signs of wishing to accelerate the growth of federal government influence. During those years too, the Federal ALP, if anything, increased the vigour of its advocacy in favour of federal action in many areas of State responsibility.

By the end of the 1960s however, the States had by no means surrendered all their powers. Their independence as States and their bargaining power with the Commonwealth Government appeared to have been maintained, particularly as a result of their growing economic strength due to the boom in mineral and oil discoveries and the consequent increase in revenue. In education in particular no-one questioned that the States were dominant in the government schools and in the technical spheres. Further, the 1969 federal election results could be interpreted as an indication that the electorate did not want any further encroachments by the Commonwealth. As Sawer has observed:

> . . . while the dynamic of Australian Federalism is certainly towards increased central power, the pace of change is uneven and the Australian people still seem wedded to the maintenance of a federal balance.[54]

Although the traditional concept of federalism had been largely replaced, the type of "co-operative federalism" extant in tertiary education satisfied scarcely anyone. At the dawn of the 1970s a well known proposal was that the Commonwealth should meet the costs of tertiary education in full. It was felt at the time that funding and other difficulties of universities and CAEs could be overcome if the Commonwealth were to assume full financial responsibility for universities, CAEs and teachers colleges. Advocates of this proposal gave little thought to the technical education sector and the enormous costs and complications involved in proposing that the

States agree to its full funding by the Commonwealth. These problems were to increase in the early 1970s.

Accompanying these changes in the Australian federation were considerable changes in the functions of the AUC. Three contemporary observers were certain that a change had taken place whereby its regulatory and executive role had become much more conspicuous at the expense of its independent advisory role.

First, Matheson as Chairman of the AVCC felt that the growing control the AUC exercised over universities' building operations exemplified a dilution in university autonomy, an undesirable broadening of the administrative role of the AUC and undoubted proof of the dominance of the Commonwealth Government over the States in university development:

> Since 1959 when the AUC opened for business the real control over university affairs, and especially over the areas of development is exerted by the Federal Government and this without a controlling financial interest . . . University building operations are completely dominated by the Commonwealth.[55]

Mr Lance Barnard, then Deputy Leader of the Federal Labor Opposition, was convinced that the AUC could no longer provide independent advice to government. Barnard felt that although the AUC was conceived initially as an advisory agency it had largely become an agency of the Commonwealth Government with its own bureaucracy:

> The AUC has not acted as a shield for the universities. Rather, it has been used as the vehicle for the transmission of Commonwealth information and control. This has been accompanied by a reduction in the influence of State Governments on the universities, although their financial role is still important.[56]

In the process whereby the Commonwealth Government's part in the management of the education enterprise became more complex, the advisory function of the AUC had continued but its administrative function became more extensive as a reflection of the changing character of the job to be done. The size of the AUC's secretariat increased in an attempt to keep abreast of the growing administrative workload, but due to adjustments to the working style of two chairmen and due to the preoccupation of the AUC with restoring the confidence of the States, little priority was accorded to improving outdated methods of financial analysis. Within the Commission a conflict existed as to the emphasis which should be given to the AUC's regulatory role, as some commissioners tended to underplay the growing regulatory and executive tasks and to

continue to emphasize that the AUC's principal function was advisory.

Sir John Crawford, Vice-Chancellor of the Australian National University, felt that the AUC's opportunity to provide independent advice to government had taken second place to the Commonwealth Government's negotiations with State Governments concerning their capacity to pay for tertiary education needs:

> To begin with no one can challenge the final right of government to decide what financial resources can be allocated to the universities as a whole. Unfortunately it is not altogether clear whether the AUC's advice is on the basis of minimum but adequate university needs or on the basis of negotiated understanding with both Federal and State governments which may be less than adequate to achieve the objectives set out by the Commission in its Fourth Report.[57]

At the beginning of the 1960s the AUC had viewed itself as an independent agency vested with responsibility to assess universities' needs and after discussion with the States, to place those needs before the Commonwealth Government and Parliament in the form of financial proposals. In the face of the evidence in this chapter it is difficult to sustain an argument that at the end of the 1960s the AUC could view that as its sole function. The AUC could no longer be looked upon purely as an independent advisory body.

Notes

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22. Archives. *70/2617 Australian Universities Commission – Appointment of Members 1966,* Letter of Gorton to Sir Hugh Ennor, 8 June 1967.
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24. *69/2200, ibid.,* Minute of Jones to Minister, 24 April 1969.
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26. Transcript of author's interview with Professor R. L. Mathews.
27. A description of the establishment and function of these State agencies is given in Chapter 10.
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PART III

Case Studies in Coordinating University Development

8
Research funding in universities

Traditionally, universities have maintained that a cornerstone of their institutional independence and of their academic autonomy has been the freedom to explore and extend the boundaries of knowledge through rigorous scholarly research. This viewpoint was always fully accepted by the AUC. As a coordinating agency, the AUC considered it neither necessary nor relevant to define the scope and nature of university research. What was more important was maintaining the freedom of individual institutions to undertake such research. The AUC attempted to do this through advocating special research grants to allow each university to be responsible for deciding its own internal allocation of research funds.

However, Gorton had a somewhat different point of view. He saw research funding as a national responsibility not to be entrusted in full to individual universities. Under his guidance, through the mid-1960s, the Commonwealth Government developed a national research policy, particularly through the establishment in 1965 of the Australian Research Grants Committee (ARGC) and expansion of its responsibilities. The Commonwealth's plans met some resistance from the AUC and the universities who did not wish to have decisions about the financing of university research taken out of their hands to the degree Gorton intended. They met with resistance too from some States which, since they had no part in the consultative process, refused to match ARGC grants and looked upon the ARGC as a solely Commonwealth agency. Towards the end of the 1960s a compromise position evolved whereby the Commonwealth Minister for Education and Science, the Chairmen of the AUC and the ARGC, and the States, collaborated to produce a more cohesive policy of national funding for university research.

Diagram 4, The Relationship of the AUC to Policy Making on University Research Funding 1960-1970, provides a picture of the directions taken in establishing a national research policy during the 1960s and the changing role of the AUC in those events.

Consideration of university research funding in the 1960s would not be complete without comment on the remarkable growth in numbers of postgraduate students and academic staff. As is shown in

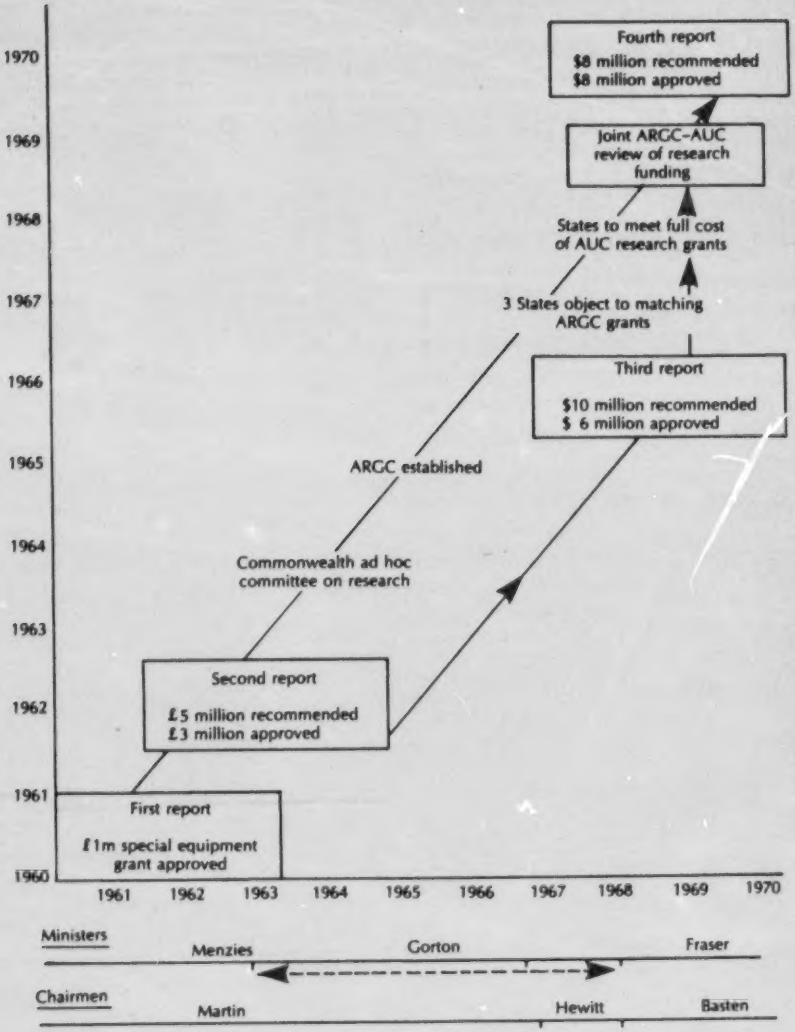

Diagram 4. The Relationship of the AUC to Policy Making on University Research Funding, 1960–1970.

Table 4, Australian Universities: Higher Degree Enrolments 1959-1969, there was more than a 450 per cent increase in postgraduate numbers in the decade, a rate of increase which greatly exceeded the sizeable expansion in undergraduate enrolments over the same period. It was in 1959 that the Commonwealth commenced a scholarship scheme for full-time postgraduate study.

Table 4. Australian Universities: Higher Degree Enrolments 1959–69.

	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Total	2274	2816	3170	3814	4551	4813	6169	7560	9181	9212	10535
Index postgraduate enrolments	100	124	140	168	201	212	271	322	404	405	463
Index undergraduate enrolments	100	113	121	133	144	157	163	177	181	193	207

Source: Derived from the Australian Bureau of Statistics' annual figures on student enrolments in Australian universities.

The number of academic staff grew in conjunction with student numbers. In 1957 there were 2276 full time teaching and research staff. By 1967 the number was 6014 and by 1970 it was 10,222. Two consequences of this rapid growth were that the proportion of staff with experience of North American universities and their different patterns of organization and degree structures was considerably increased and the average age of staff, altogether and in senior posts, was considerably lowered.

Contemporary events in research funding in Canada, the USA and Great Britain resembled these developments in Australia. In Britain a small advisory committee was appointed in March 1963 under the Chairmanship of the then Secretary of the Cabinet, Sir Burke Trend, to review arrangements for government sponsored civil science.[1] In its report the Trend Committee endorsed the existing principle of dual support of research in universities whereby finance was provided by both Research Councils and the UGC. To coordinate the work of various research councils, the government established in July 1964 a Science Research Council. This body provided grants direct to individuals or groups, assistance for ancillary services and for the joint use of facilities beyond the means of any university. The work of the Science Research Council resembled that of the National Science Foundation in the USA

which, with other organizations in that country such as the Atomic Energy Commission and the National Institute of Health as well as large private grant giving foundations, provided research grants for individuals and groups on a project basis. An organization such as the Science Research Council was needed in Australia and its absence led to the establishment of the ARGC.

In Canada, direct support for project research came from the National Research Council and the Medical Research Council which concentrated on the physical and life sciences, and the Canada Council which supported the humanities and social sciences. The Provinces were responsible for basic research funding. As the federal agencies scrupulously avoided any possibility of interference with provincial jurisdiction, the kind of selectivity and specialization necessary for an effective research system was not achieved. Instead, research in Canada's universities was characterized by: "proliferation and duplication of programs and a consequent dilution of strength".[2] As will be demonstrated in this chapter, there were some signs in Australia in the mid-1960s that, as in Canada, project funding could become federally based and basic research State based. However, this possibility was resisted, particularly by academics, the AUC and the ARGC.

Pre-AUC views on national research funding

As early as 1935, Vice-Chancellors requested the Commonwealth Government to provide financial assistance for postgraduate studies, on the grounds of its national importance, especially as universities were producers of highly skilled manpower for Commonwealth instrumentalities. As a consequence of these approaches, from 1936 the Commonwealth Government made an annual grant of £60,000 for research in the physical and biological sciences through the Council for Scientific and Industrial Research, later the Commonwealth Scientific and Industrial Research Organization (CSIRO). The grant, which was increased several times, was allocated to universities with advice from the Vice-Chancellors' Committee. Throughout the time the grant was provided, the universities never considered it sufficient to close the gap of funds required to meet Australia's needs for postgraduate students and research.

In 1950 the Mills Committee did not recommend that the Commonwealth Government make special grants for research. But the Committee built into its recommendations sufficient funds to allow each university to finance its research effort out of the proposed total increase from the State and Commonwealth grants, and from fees.

In 1958 at the time of the commencement of the Murray Inquiry, universities considered the amount of funds for research was seriously inadequate. These views were supported by Sir Keith Murray who, through visits to the States and the university campuses, gained the impression that there were two major deficiencies.

First, in most disciplines there was an insufficient number of postgraduate students and a lack of depth and breadth in postgraduate research work; this impression led Murray to express concern in his Report at the general weakness of postgraduate research while giving every assurance that there was no question of the quality of Australian postgraduate students or of the high regard in which they were held overseas.[3] As with Mills, Murray did not feel that research grants should be earmarked but in the recommendations he made for emergency grants, Murray specifically mentioned the need for an expansion in postgraduate work.

Second, Murray came to the conclusion that no single university (with the exception of the Australian National University) had sufficient financial and national resources to undertake large scale innovative research ventures. Conscious of the work of the Department of Scientific and Industrial Research in his homeland, Britain, Murray was convinced that a similar national research agency was needed in Australia to promote additional ventures; Murray felt that any money so provided would augment rather than replace that needed to expand postgraduate research generally. Murray saw such a research agency operating as a subcommittee of the proposed universities' committee and that to do so such a body needed to have considerable power to direct the development of research in various universities.[4]

Martin's research proposals for the First Triennium

Martin's views on the need for increased research funding corresponded with those of Murray. Unlike Murray however, Martin's more intimate experience with Australian universities had persuaded him that in the interests of balanced, national development the financial allocation for research needed to be earmarked.[5]

Early in 1960, during routine communications with the State universities in preparation for the First Report, Martin sought reaction to his idea of earmarked grants but he was disappointed to find very little support for it.[6] Nevertheless, Martin remained convinced of the need for separate grants as he saw this as the most efficient way of promoting better research and monitoring the

effective use of the money provided. Without this precautionary measure, Martin felt that universities would continue to give a low priority to research.

From the beginning the AUC Commissioners supported Martin's viewpoint that research funds should be earmarked.[7] Through this mechanism they felt that the AUC would have the opportunity to provide a groundswell of research funding based on universities' triennial submissions yet at the same time allow the control of funds to be at the disposal of individual universities.

In its First Report the AUC referred to its "realization of the urgent research needs of the universities".[8] Among the AUC's recommendations for the first triennium was one to establish a special capital equipment fund of £1 million on a £1 for £1 basis with the States. The special capital equipment grant was for the purchase of items of research equipment costing more than £5000 each. These items were required in the physical and biological sciences and, in the human and social sciences, funds were proposed for the purchase of expensive research materials, including books.

The Commonwealth Government approved of this recommendation, and of the suggestion that half of the £1 million should be allocated among the nine State universities and the other half should be allocated at the discretion of the AUC.[9] Subsequently, the AUC received requests of more than £2.3 million from the universities for the remaining £500,000. Remembering Murray's suggestion for a committee of the AUC for funding research ventures, Martin proposed to the government that a small expert committee be established to decide on the allocation of the funds.

Advisers to the Prime Minister within his own department were unhappy with the proposal. They felt the existence of such a committee would be seen by the States as evidence of the Commonwealth's seeking control in a States' area of responsibility. They were also sceptical of the proposed composition of such a committee:

> [We have] difficulty in supporting the Committee that is suggested – 2 ANU professors, the Director-General of Health and a member of the CSIRO executive. . . . We feel there is a danger that this proposal could turn out to be bad for the Commission and bad for the Commonwealth. Nor are we convinced that, as yet, there is need for a Committee.[10]

Not long afterwards, the AUC found it unnecessary to go ahead with this plan as further discussions between universities and the AUC secretariat resulted in considerable reduction in the universities' initial submissions. Accordingly, the secretariat made the allocation of grants and wrote to the Prime Minister's Department stating that the proposed plans for a committee were to be abandoned.[11]

The Second Report: Alternative research proposals

In May 1963, several months before becoming aware of the recommendations on research the AUC intended for its Second Report, the federal government decided to form a small committee to advise it on ideas for a national policy on scientific research in Australia. This committee, which was to have an important influence on the direction eventually taken by the government in funding research, was established primarily as a result of approaches from the Australian Academy of Science and CSIRO. Conscious of the National Science Foundation in the USA, the Academy of Science proposed the establishment of a similar body in Australia.[12]

At that time many academics and scientists were concerned that Australia ought to establish its own reputation in research and to have research done here rather than abroad. They knew that to bring this objective into reality required Commonwealth financial support. One observer within the Department of the Prime Minister saw that department as being "bombarded from all sides to develop a national sciences policy".[13] His impression was that much thought was devoted at that time within the department to ways of establishing a Commonwealth body which would on the one hand provide money for research and on the other regulate how the money was to be spent.

Martin decided that he would ask for a separate research grant in the Second Report rather than include research funding as a component of the recurrent grant recommendations and his Commissioners supported this tactic.[14] As was described in Chapter 5, prior to a final decision on the proposal for the Second Report, the AUC had a pre-budget discussion with cabinet subcommittee. The AUC decided before the meeting to propose a preliminary estimate of £3 million as a special research grant. The cabinet subcommittee was interested to compare the AUC proposals for research funding with those which had been proposed by the Australian Academy of Science:

> *Research.* The Prime Minister asked if this proposal was similar to the one at present before the Government from the Academy of Science . . . . The Chairman said that the proposal of the AUC was essentially for training, whereas the proposals of the Academy were for basic research programs of large magnitude. He suggested that, undoubtedly, there would need to be some discussion between the two programs to ensure that there was no overlapping.
>
> The Chairman's suggestion that the £3 million might be provided as an unmatched grant by the Commonwealth or on a £1

> for £1 basis with the States did not seem to alarm the Cabinet Ministers.[15]

After this meeting the AUC decided to increase their original proposal and to ask that the Commonwealth provide £5 million as a special research grant to be matched by the States.[16]

As there had been a fivefold increase in the number of higher degree students between 1953 and 1962 and the AUC estimated that the figure would double again by 1966, it put particular emphasis on the importance of research both in its letter of transmittal for the Second Report, and in two arguments within the Report.

The AUC argued firstly that the number of graduates receiving research training had increased at a rate significantly greater than the rate of increase of the undergraduate population. And, secondly, that national needs demanded the allocation of special grants to universities in order to meet both the rising costs of postgraduate training and to support senior staff in their tasks of planning and supervising this training.[17]

In referring to the special grant for research for the previous triennium the AUC pointed out that in its First Report it had regarded this proposal as "experimental and likely to prove too modest".[18] The AUC argued that evidence to support this judgement could be found in the estimate in universities' submissions for the 1964-66 triennium and in key discussions during the AUC's visits in 1962.[19]

At the end of 1963 it appeared to the members of the AUC that they could look forward confidently to the adoption by the Commonwealth Government of the research funding proposals put forward. At that time, five years after his own inquiry, Sir Keith Murray was visiting Australia. His discussion with the AUC at that time gives a clear idea of the AUC's optimism towards future directions in research funding:

> Sir Keith was delighted to have read in the Commission's report the suggestion for a £5 million research grant. He wondered how we had got away with it. He hoped that we would not earmark these grants too much and thus interfere unduly with university autonomy. He also hoped that some sort of National Research Council might be set up to supplement our activities by providing research grants for big jobs. . . .[20]

Murray offered his support by promising to write to Menzies backing this method of research funding and expressing the hope that the new research body would not be controlled by public servants.

The Commonwealth Government did not accept in its entirety the research proposals made in the Second Report. Instead, in

October 1963 the government decided on an extensive review of Commonwealth policy on the funding of research, a review which was to include consideration of the AUC's proposals.[21] From that time differences between the government and the AUC on research funding began to grow. As is to be described in more detail, during the 1964-66 triennium £3 million of the £5 million proposed was allocated as the AUC recommended. But in the 1965/66 financial year, the remaining £2 million was transferred for allocation by the newly established Australian Research Grants Committee (ARGC).

Government action for 1964 on the Second Report

The Commonwealth Government decided on a holding action on research funding for 1964. It approved the allocation of the initial £1 million on a matching basis with the States for that year and then deferred a decision on the unallocated £4 million pending receipt of a further recommendation from the AUC by the middle of 1964, advice from its own *ad hoc* committee, and the report of the AUC's committee of inquiry into the future of tertiary education (the Martin Committee).

By March 1964 early draft material from the Martin Committee indicated that investment in academic research in Australia had not been large and that the provisions for research in the Second Report would cover little more than overall training and postgraduate research programmes of the universities. The Committee pointed out that previously the AUC had not made special provision for the support of major research projects or the establishment of research units for continuing advanced research within universities. It felt that what was needed was a grant determining body:

> . . . independent of the universities and other relevant institutions which, on the advice of expert committees and in the light of knowledge of national needs, is able to support directly major research projects submitted by individual research workers.[22]

To the Martin Committee, it was important that such a body be independent as it needed to be responsive to Commonwealth Government decisions on the proportion of national income that could be devoted to research. The Martin Committee suggested that the body be similar to the National Science Foundation of the USA.

Between August and October 1964, the AUC visited each university and completed its assessment of the universities' research programmes. Martin then forwarded to Gorton the AUC's recommendations for the remaining £4 million of the special research

grant.[23] By November, university administrators were seeking advice from the AUC on research funds for 1965 in order to plan for the new academic year. Martin sought direction from Gorton and was advised that no decision had been made.

The AUC was unhappy about this delay as it seemed that the government was not standing behind the principles of research funding it had made at the time of the Second Report:

> . . . [One Commissioner] said that he was dismayed to learn of Senator Gorton's decision, particularly as it seemed to him the Government had accepted the principle of a special research grant and had only deferred embodying the total £5 million in the Universities (Financial Assistance) Act of 1963 because of the lack of time available.[24]

The real reason for the delay was that Gorton was not satisfied with the evidence supporting the research proposals put to him by the AUC. He wanted a clearer idea of where the money was going:

> The Commission just recently put up a proposition but we have not accepted it because I want to go further into the type of research to be supported by the grant and where the money will be allocated.
>
> There is no question of the money not being given to the universities. It is just a question of the actual basis for distribution of money.[25]

Gorton then had a discussion with Martin concerning future research funding. Gorton stated that universities would receive a £1 million special research grant in 1965, as they had done in 1964. He also mentioned that he wanted clear information on specific research projects from each university to allow him to study such projects to see whether they were appropriate for general university research grants.[26] It was this information Gorton required from each university, rather than the information provided to him by the AUC on the distribution of the money proportionate to the numbers of the persons engaged in postgraduate degree courses, and the numbers of postgraduate degrees conferred by various universities.

A broader basis for research funding

Early in 1965 the federal cabinet considered two submissions, one of which was made in the context of the AUC's recommendations for research funding as presented in their Second Report and the second of which considered the continuing support by the Commonwealth for scientific research. On the basis of these submissions,

federal cabinet then decided on the future policy of research funding in Australia.[27] First, the cabinet decided to inform the AUC that in future it should provide some money for research in the general recurrent and capital grants for all universities, but only for the general purposes of postgraduate training. Second, the cabinet agreed that there ought to be a body to advise the Commonwealth Government on the most effective methods of coordinating and achieving results from expenditure on research. The cabinet felt that once a decision had been made by government on what proportion of the national income could go to scientific research, this body would then recommend the allocation of available money among the various governmental research bodies, the universities and others.

Cabinet then authorized Senator Gorton to prepare a public statement to this effect and not long afterwards (24 March 1965), the Commonwealth's attitude to future research funding was embodied in the statement by Prime Minister Menzies in the House of Representatives[28] on the Martin Report.

According to a press report at the time, one of the Commonwealth Government's reasons for this decision was to encourage individual research workers whose projects previously may not have received financial support due to restrictive decisions by universities:

> ... One of the reasons for this is the Government's belief that because of "campus politics" in the universities, some deserving individual research workers and research projects have been denied a share of research funds. Under the new scheme any research worker who believed he is not getting a fair deal from his university will be able to apply directly to the Federal Government for a research grant.[29]

These events illustrate the changing role of the AUC as a coordinating agency in policy-making on research in universities. The evidence produced so far indicates that policy decisions on the nature of future Commonwealth involvement in research were taken not on the basis of advice from the AUC but as a result of decisions by the federal cabinet and by Gorton. It is of significance to note that the decisions were not made by Commonwealth Parliament nor did that body have much influence in changing the subsequent course of events or effectively mounting a challenge to them.

The reaction of Universities and the AUC to the changes

Martin had no quarrel with the establishment of the ARGC as through it he could see the opportunity to fulfil a long felt need to

stimulate high level research in Australia. Nevertheless, although Martin quite correctly believed that the establishment of the new agency would be welcomed generally by universities, he was most dissatisfied with one aspect. The new body was initially to be funded through a £2 million cut to the research grants recommended in the AUC's Second Report. To Martin, the £5 million recommended for research in the Second Report was an emergency grant, recommended as a separate grant to ensure that the funds were not diverted for other purposes. Martin was convinced that the money was needed to allow universities to cope with the increasing numbers of graduates anxious to pursue postgraduate studies and to provide for the expensive equipment associated with their training. Martin felt as well that the money was essential in order to increase the output of postgraduates required to provide the numbers of adequately trained teachers needed for Australian universities and technological institutes in the future. Consequently, Martin wrote to Gorton setting out the grounds for his dissatisfaction:

> . . . universities naturally have taken great pains to provide the kind of information required by you and the government in support of their case for assistance in the post-graduate area. I have become somewhat cynical after some years of service but I believe in this matter that universities have a good case to support. If their evidence is unrealistic then indeed our efforts to ensure that Australian Universities will be respected must fail. I believe it would be in the best interests of the country if the Government could reconsider its decision and support the proposal of the Commission in its original form.[30]

Gorton was not prepared to reconsider and he replied to Martin indicating that the decision would not be reversed.[31]

On 30 April 1965 Gorton officially informed Martin of the membership of the ARGC,[32] and its composition was subsequently announced in the Senate of 4 May. Its first chairman was to be Professor R. N. Robertson, Professor of Botany at the University of Adelaide and a member of the CSIRO executive. By August of that year the ARGC had provided Gorton with its proposals for funding research projects on the basis of the submissions made to it. In November 1965 the government announced in the House of Representatives how research funds were to be allocated and how the AUC was to be involved in research funding:

> . . . The Australian Universities Commission will be free to provide for the needs of research in the sense of training postgraduate students within its general recommendations for the support of universities.

> To decide which research project should be supported is clearly a difficult task and one requiring expert knowledge. Therefore, we established the Australian Research Grants Committee under the chairmanship of Professor R. N. Robertson to receive applications and assess their relative merits and select the most worthy projects.[33]

Further evidence of Martin's dissatisfaction with the direction of Commonwealth Government policy on research funding is found in his comments during the AUC's round of visits. For example, during the AUC visit to the University of New South Wales, Martin said:

> . . . that the Government's recent decision to establish the Robertson Committee with £2 million which has previously been considered available for distribution by the Commission had not been discussed with the Commission. Also the recommendations made in the Report on the Future of Tertiary Education that a National Research Fund be set up to coordinate and recommend finance for major research developments had not been commented on by the Government. It was obvious that the Minister had seen the possibility of establishment of a resarch committee as existed in other countries to direct funds to research projects.[34]

By October 1965 Martin had begun to crystallize his recommendations for the Third Report. When visiting the University of Western Australia he gave a clear view that his policy of providing funds for research was essentially unchanged, that he intended recommending a special grant for research and that it was the responsibility of individual universities to arrange their own internal priorities for research funding. At that stage he continued to be critical of the overall research policy advisory role which the government had given to the ARGC.[35]

University attitudes to research funding

At the commencement of 1965 the Australian Vice-Chancellors' Committee convened a subcommittee to prepare a paper making representations to the AUC both on the consequences of a reduction in the proposed research grant for the second triennium and the possibility of conflict between the established "institutional method" and the new "project method" of giving financial support to research. As a consequence of the Prime Minister's announcement on the establishment of the ARGC in the House of Representatives on 24 March 1965, the paper was abandoned.

Not long afterwards an AVCC subcommittee met Robertson to

discuss the ARGC and future possibilities for research funding. The AVCC, enthusiastic about the establishment of the new national body, then arranged a further meeting with Gorton. At the meeting (held on 20 April) the AVCC pointed out the need to strengthen the research schools of the universities in order that sufficient numbers of postgraduate students could be made available in future as staff for the growing needs of universities, teachers' colleges and the research activities of industry. For this purpose, the AVCC proposed an amount of £1 million which would restore the £5 million originally proposed by the AUC in its Second Report. But Gorton would not alter his decision.

Later in that year (June 1965) while Martin was formulating his approach to research funding in the Third Report, the AVCC wrote to Gorton registering its concern that the level of funding for university research, particularly the training of higher degree students, appeared to be insufficient. The AVCC provided a paper for Gorton which set out various considerations for the government to bear in mind when determining the total sum within which the AUC would have to recommend support for university research schools.[36] However, Gorton remained convinced that no alteration in policy was needed. He was sceptical of the universities' plans to increase postgraduate intake during the 1964-66 triennium as he felt such plans were too ambitious and would be at the expense of quality. He was convinced that Martin supported this view.

The Commonwealth Government's decisions on research funding were by no means satisfactory to university staff associations. In their opinion Martin's disquiet over the Commonwealth Government's decision to direct AUC funds into the ARGC was valid and worthy of support. The staff associations' appraisal, made in their review of the Martin Report in early 1966, was that the government, in rejecting the AUC's full financial recommendations for research funding, had severely curtailed research in Australia's universities.

Trouble with the States

By the end of 1965 some States were beginning to object strongly to matching ARGC grants. In their view the ARGC was an agency of the Commonwealth, in no sense responsible to or representative of State Governments. These States had observed that the ARGC had nothing of the responsiveness to the States or consultancy status with them of the AUC. In November 1965 Senator Gordon Davidson suggested in the Senate that the position concerning the attitude of the States towards research funding had become so

serious that a review of Commonwealth research policy was needed. Gorton, in reply, claimed that the States were neglecting their responsibilities by not accepting their share in a partnership, and that it was up to the States to decide what amounts they were prepared to match. If they matched half of what they were offered they would only get half of the amount offered by the Commonwealth.

In an interview, Gorton acknowledged that he viewed the ARGC as a national agency and as such he did not see the States as having a representative role on it:

> We were providing the money for it. We wanted to know that the research done was reasonable. You could interpret it as pushing the States – they didn't have to go along with it.
>
> The Commonwealth was the dominant partner and so it should have been. We needed to have advice on what was being researched into. We wanted to know that someone doing research in the interests of the nation was getting enough money.[37]

In its Third Report the AUC recommended a special research grant of $10 million and the continuation of the dual system involving both support for general research and postgraduate training and support of the outstanding project or individual.[38] Project research had by then become the responsibility of the ARGC. The Commonwealth Government did not accept this recommendation and reduced it from $10 million to $6 million and simultaneously proposed an allocation of $9 million to the ARGC for the triennium on the usual basis of dollar-for-dollar as between the States and the Commonwealth.

At that time Gorton made it known that the ARGC had first call on Commonwealth financial support. To the extent that any State did not support the Commonwealth's ARGC proposals, there would be a reduction in financial support to the general research grant as proposed by the AUC.[39] This decision had arisen as a result of a conference earlier in 1966 between the Commonwealth and the New South Wales, Tasmanian and Victorian Governments over university research funding. These States had declined to match the $1 for $1 grants proposed by the ARGC and the Commonwealth resolved to meet the extra cost and deduct the money from the AUC allocation. This decision was to inhibit general research and postgraduate instruction at universities in the three States even though particular research projects with ARGC money went ahead.

In October 1966 Gorton spoke in the Senate about bills to amend two acts to enable the Commonwealth Government to determine the extent to which it would contribute to AUC research grants.[40]

Gorton stated that the Commonwealth's share would be based on the extent to which any State shared the cost of ARGC grants. At that stage, Western Australia and South Australia were prepared to offer full support and Tasmania was undecided. New South Wales, Victoria and Queensland had stated that they regarded the ARGC's programme as something purely for the Australian Government and they were not inclined to support it.

The decisions of the Commonwealth Government on the Third Report and the decisions of some States not to meet their share of ARGC grants caused confusion and uncertainty to the AUC as it did not know how to advise universities on the way to budget their research expenditure for the triennium. In November 1966, Martin discussed the position with Gorton but little clarification emerged as Gorton was still negotiating with the States. It was one of the last matters Martin attempted to resolve prior to his retirement and replacement by Hewitt.[41]

It seemed to the AUC that by the end of 1966 the bright prospects which had been anticipated for research in Australia had been dimmed. According to *Nation* they had been "muddied by Senator Gorton".[42] At that point, until the Commonwealth and the States ironed out their differences, the whole future programme of research remained unresolved.

In February 1967 a new position concerning the future funding of research grants was announced by Gorton who stated that in the 1967-69 triennium the Commonwealth Government would finance the entire $9 million required for ARGC grants; however, the financing of the $6 million general research programme by the AUC would be left to the States to meet. Gorton, in an attempt to pass the matter back to the States, said in the Senate that universities should try to persuade the State Governments not to reduce the grants made for research purposes. He said that the Commonwealth's contribution for research had been increased to its limit.[43]

Some States met this decision with consternation and predicted a disastrous outcome. In March of that year, Western Australia, South Australia and Queensland had told their universities they would meet the full cost of their general research programme but New South Wales, Victoria and Tasmania declined. Premier Bolte of Victoria expressed the view that if the Commonwealth wanted to "run the whole scheme our attitude is to let them".[44] His attitude was supported by his Head of Treasury, Sir Ernest Coates, who, in an interview, expressed the view that the Commonwealth Government's attitude to research funding was an:

> ... exercise in bushranging the States – a very inept piece of

bushranging. A weapon to force the States to put up half the money for ARGC. The Victorian Government took a firm and continuing stand on the matter. That this was a stand on principle in the area of Commonwealth-State financial relations, and in no way anti-universities, was understood and recognised by the Victorian universities.[45]

In early April 1967, the Federal Labor Opposition decided to call for an urgency motion to debate what they claimed was the Commonwealth Government's gross mishandling of university research funds.

In the Senate debate Senator Murphy claimed that there were disputes over the mutual responsibilities of the Commonwealth and the States, there was uncertainty about the respective roles of governments, the AUC and the universities, and there was confusion about the actual size and scope of university budgets. He then developed an argument that the Government's mishandling of research funding was a symptom of a deeper issue – its lack of respect for the independence of the AUC and its determination to make the AUC a more effective mouthpiece for government policy:

> . . . He [the Minister] has made a number of public statements which convey the impression that all the Government has done is to give the universities slightly less than they asked for, when what he really has done is to carry out a hatchet job on the carefully prepared recommendations of the Government's own advisory body, the Universities Commission.[46]

Murphy claimed that in Britain the government had not intervened in the UGC's affairs to the degree that Gorton had intervened in the working of the AUC.[47] Murphy asserted that by his actions Gorton had overthrown the highly respected traditional relationship between the AUC and government and had raised the deepest doubts about the future of the system:

> . . . Moreover, by appointing a Treasury official as Chairman of the AUC he has given it a clear indication of the way he expects it to work in the future – not as a unique organ of mediation between the Government and the universities but simply as an appendage to his Department and the Treasury.[48]

In his reply Gorton gave an account of the growth in postgraduate research in most Australian universities and then maintained that the decisions on research funding had been arrived at as the result of agreement between the Commonwealth and States:

> . . . What has been done in this matter has been done by joint

> agreement between the State Governments concerned and the Commonwealth Government. . . .[49]

Despite optimistic beginnings in the early 1960s and the timely establishment of the ARGC in 1965, by the middle of 1967 no firm policy had been established in relation to the overall support of research. Although since 1961 substantial sums had been provided for this general purpose, the basis of the allocation had changed several times within five years. Notwithstanding signs that the Commonwealth Government wished to adopt a national approach to funding research, it seemed that the universities had been returned the responsibility of winning from the States the funds necessary to stimulate and maintain the base level of research activity. Since State generosity in this field would win no additional Commonwealth funds, the universities had good reason to fear that the new system would represent a further reduction of the funds available.

Restoration of the special research grant

By the commencement of 1968 it appeared to some university people that the prospects of an Australia-wide restoration of special research funding through the AUC were indeed gloomy. For some, this foreboding was underscored by the existence of the ARGC. One Vice-Chancellor (Professor J. P. Baxter, University of New South Wales) felt it was possible that the general research grant of the AUC would disappear altogether and that the ARGC would become the only channel through which research money would flow. He wrote to the Chairman of the ARGC to emphasize how serious the situation had become:

> The ARGC is a committee appointed by one Federal Minister. He selects its membership and presumably directly or indirectly can influence its policy. Such an arrangement puts in the hands of the Minister and the government a powerful tool by which in future universities or individual Professors could be coerced if they proved difficult or unresponsive to the Government's will . . . it does not follow that a future committee which at the time of its appointment might look quite satisfactory, would not act in such a way in particular cases.[50]

Professor Baxter went on to say that he felt many university people believed that the establishment of the ARGC constituted a threat to academic freedom and that in his view such pressures could be removed by reverting to a system of block grants.

However, Robertson was certain that no such threats existed nor

would emerge. He replied to Baxter expressing surprise at Baxter's support for block grants. Robertson was convinced that the ARGC would never attempt to orient research in university departments and that the multichannel system for the support of research helped ensure the academic freedom of both the individual research worker and the universities.[51] Nevertheless, although Robertson believed this, he was not able to allay the fears of many that the root of the problem lay in Commonwealth emphasis on the ARGC grants.

In one sense, there were good grounds for Robertson's confidence. By mid-1968, after three years of operation, the ARGC had become an established and active Commonwealth agency with a clear view of its task. It had adjusted well to its role of considering research projects from a national viewpoint. Its policy of making research grants on the basis of the quality of the researcher and the merit of the project independent of State affiliation had begun to improve the continuity of funding, substantially equalized opportunity in these activities across the nation and was beginning to help considerably in the output of high level research.

The ARGC, a committee comprised entirely of academics and CSIRO scientists, was a unique type of advisory agency facilitating advice on balanced national development of research in Australia. Its presence and growing success indicated a new partnership between academics and government concerning research. Unlike their predecessors, the academics involved began to exhibit a different understanding of the balance between public accountability and institutional autonomy, a development which reflected changes similar to those in Britain, where Kogan had observed:

> . . . the somewhat craggy great men who led university departments in the 1930s and 40s and who would resist intrusions on their freedoms from their own Vice-Chancellors, let alone the UGC, gave way to a different style of academic. Academics who were consultants to governments and industry, who combined serious journalism with academic work, who were increasingly in demand to help run parts of the public system such as the CNAA assessment teams, were more prone to accept arguments of public purpose in preference to the delights of isolated academic excellence.[52]

Nevertheless some difficult problems were readily apparent. Although the ARGC was a good way of providing for specially meritorious projects, limited funds were sometimes spread too thinly, it was difficult for a researcher to get funds unless his reputation had been established, large projects in excess of $100,000 were not able to be supported and the methods of determining the distri-

bution of funds as between the major areas of research endeavour were uneven. Moreover, with the removal of Commonwealth supported AUC special research funds in some States, the universities themselves were not well placed to provide fundamental support from their own resources for basic staff research and research training.

In May 1968 the Federation of Australian University Staff Associations (FAUSA), concerned with the erosion of general research funds available to universities, sent a report to the Minister for Education and Science, Mr Fraser. In the report FAUSA pointed out that it regarded as vital in the future that the AUC be involved in providing general grants for research.[53]

In several States by the end of 1968 the lack of research funding as a result of a breakdown in Commonwealth-State matching arrangements had conspicuously diluted the effectiveness of ARGC grants. As Robertson acknowledged in a letter to Basten, the ARGC could no longer either support all the worthwhile projects or support on a reasonable basis the projects which were already adopted.[54] As a consequence, Robertson and Basten agreed to write jointly to Fraser setting out the difficulties of developing Australia's research potential in the 1970-72 triennium.

To Robertson and Basten it seemed likely that the States would argue that the basic research supported by the ARGC benefited the nation as a whole; hence they need not contribute to its cost. They predicted that if Victoria and New South Wales failed in the 1970-72 triennium to grant sufficient funds to provide fully for research it was possible that the training of postgraduate students would be curtailed, as had happened to a small extent in the triennium 1967-69, and that universities in those States would become reluctant to undertake ARGC funded research projects. Obviously, such a possibility was disadvantageous to Australia. In their letter to Fraser, Basten and Robertson pointed out that support given through the ARGC to basic research should be maintained, that the Commonwealth needed to continue to accept full financial responsibility for it and that the AUC should again recommend a special research grant.[55] Basten then obtained the agreement of the AUC Commissioners to make a recommendation in the Fourth Report for a special research grant as a basis for financing postgraduate training and research and as an underpinning of the objectives of the ARGC.[56]

As a result of this approach, Fraser asked Basten and Robertson to undertake a review of the three years of operation of the ARGC and of the effect of a decline in the amount of the AUC's specific research grants on the work of the ARGC.[57] In the subsequent

report of the review, Basten and Robertson observed that the majority of universities had become less able to train students in the techniques of research and had lost the capacity to afford extended research opportunities to less senior members of staff. They recommended to Fraser that in 1970-72 an AUC special research grant of $8 million be made, of which the Commonwealth's share would be $4 million.

When the AUC discussed the recommendations for $8 million for research, some Commissioners had misgivings that the 1967-69 base on which the grants for 1970-72 had been calculated was in fact lower than the level of grants originally recommended by the AUC. Basten acknowledged that this was so, but stressed the importance of using a method which could not be challenged in order to ensure that the recommendations were not reduced again.[58] Basten's logic was then supported by the Commissioners. The argument that because university research and postgraduate training are inseparable it was necessary for the Commonwealth Government to support special research grants, was later reflected in the AUC's Fourth Report (paras. 4.4 to 4.6).

In April 1969 Robertson wrote to Fraser setting out his proposals for the 1970-72 ARGC grants. He acknowledged that the amount provided in the 1967-69 triennium was inadequate and the shortfall was aggravated by the reduction of the AUC's special research grant.[59] Robertson pointed out that at no stage had the ARGC been able to support adequately the legitimate requirements of the first rate researchers whose projects had been adopted. The percentage of new projects adopted had declined from 38 per cent in 1967 to 25 per cent in 1969 and much of this decline was due to turning away outstanding applicants with projects of "first rate quality". Robertson then went on to request $12.5 million for the triennium, with the proviso that the ARGC proposal would be supported by government approval of the AUC special research grant proposal.

Six months prior to receiving Robertson's recommendations, Fraser had asked the Vice-Chancellors to provide him with their views on the ARGC and on the future of research funding. After considering the comments of the Vice-Chancellors, Fraser decided to hold a meeting to allow them to discuss their views at greater length. At the meeting, held in June 1969 and attended by all Fraser's senior advisers on education, the Vice-Chancellors not only gave full support to the ARGC but also supported the restoration of the AUC's special research grants as they felt that the disappearance of the AUC grant had meant that it had been difficult for the ARGC to be fully effective.[60]

Conscious of this strong support and convinced of the need for

such a scheme in the interests of research training, Fraser decided to write to Gorton requesting a reversal of government policy on research funding.[61] In the letter Fraser acknowledged that in an earlier discussion Gorton had expressed reservations about the proposal that the Commonwealth should continue to provide the whole of the money for the ARGC and at the same time share equally with the States in supporting special research grants for State universities within the AUC programme. Fraser pointed out that the present proposals of the AUC were the result of close consideration and cooperation between Basten and Robertson, who felt that some universities had been in real difficulty in supporting research training programmes. Fraser agreed with them that, if the Commonwealth did not share the cost of a reasonable special research programme under AUC control, universities would suffer.

Fraser then pointed to three other considerations. First, the specific research grants recommended by the AUC were closely related to the Commission's judgements about the general level of activity in those universities, including the use of general recurrent funds for research training. Second, the specific research grants were of particular significance to the older universities and on past experience it was likely that New South Wales and Victoria would limit their support in the absence of a matching Commonwealth contribution. Third, the AUC's recommendation represented a Commonwealth contribution of $4 million within a total Commonwealth contribution towards State universities of $227 million over the triennium.

For these reasons, Fraser recommended that Gorton change his earlier attitude.

> Much as I dislike the appearance of back-tracking on earlier Commonwealth attitudes, I believe that later events have made such more highly desirable, both in the interests of research training which has its own intrinsic importance and in the general way in which the Government decisions concerning the reports will be accepted, which is of real practical importance to us.[62]

Subsequently Gorton agreed to these proposals and the Commonwealth Government resumed its contribution to the AUC's recommended special research grant while continuing to bear the whole cost of supporting the programme of the ARGC.

Conclusion

The development of a national research policy in Australia in the

1960s was the result of the interaction of the differing objectives of government and universities and of the mediation of the AUC and the ARGC. There was considerable alteration in the role of the AUC in this process.

Throughout the 1960s the AUC, in a tradition reinforced by Murray, attempted to maintain freedom of research in universities. Martin insisted that the grants be earmarked and protected in 1965 when the government diverted part of the special research grant to establish the ARGC. Although other elements in the federal system strongly contributed, Martin's persistence and the existence of the AUC as a national coordinating agency were instrumental in preventing the fragmentation of a national research policy such as occurred in Canada, particularly through resisting Gorton's attempts to persuade the States to be responsible for basic research funding. The AVCC, convinced since 1935 that assistance for research was best provided at the national level, provided strong and constant support to the AUC in this task.

The Commonwealth Government, dominating the direction of events, set out to establish a national research policy which it felt needed to encompass considerations broader than the responsibilities of the AUC. Gorton made it known that he did not wish to place responsibility for Commonwealth research funds in the hands of individual universities or the Australian States. Aware of contemporary developments in Britain and the USA, the Commonwealth Government established the ARGC, a national body which Gorton described as a "miniature national science foundation",[63] to provide recommendations for funds for research projects. That the ARGC was comprised entirely of academic committee members satisfied the AVCC and the universities. However, the States were dissatisfied and withdrew their support. This led to difficulties in sustaining a coherent national research policy and the larger challenge that through its actions in national research funding the Commonwealth Government was restricting the independent needed by the AUC to carry out its advisory function. Subsequently, the collaboration of Basten, Robertson and Fraser, bolstered by the support the AVCC, restored balance in the direction of national research policy.

Notes

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4. *Report of the Committee on Australian Universities*, p. 42.
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12. Archives. *63/1967 AUC Report for 1964/66 Triennium – Government Consideration*, "Scientific Research".
13. Transcript of author's interview with Mr L. Moore.
14. CTEC. *AUC 63/29*, Meeting 49, 15 March 1963.
15. *63/29*, meeting 50, 5 May 1963, Appendix I. Commission's discussion with cabinet subcommittee.
16. *63/29, Ibid.*
17. *Second Report of the Australian Universities Commission*, p. 44.
18. *Report of the Australian Universities Commission on Australian Universities 1958-1963*, p. 53.
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21. CTEC. *AUC 69/92*, Prime Minister's letter to Chairman about Commission's Report, 16 October 1963.
22. *Tertiary Education in Australia: Report of the Committee on the Future of Tertiary Education in Australia* (Canberra: Government Printer, 1964/65), vol. 1 p. 56 para. 3.75.
23. Archives. *23/1/2 (Part 1). Special Research Grants Report 1964-66 Triennium*, Letter of Martin to Gorton, 30 October 1964.
24. CTEC. *64/75*, meeting 57, 23 November 1964.
25. *Sydney Morning Herald*, 28 November 1964.
26. *23/1/2 (Part 1), op. cit.*, 11 December 1964, a telex containing the text of Gorton's letter was sent by Jones to Martin.
27. Archives. *65/10/68 ARGC Report, October 1965*, minute to Jones, 22 February 1966.
28. Australia. *CPD*, HOR 45 (24 March 1965): 274.
29. *The Age*, "This Week in Canberra", 30 March 1965.
30. CTEC. *AUC 65/39*, letter from Martin to Gorton, 30 March 1965.
31. Archives. *23/1/2* (Part 2), Gorton to Martin, 23 April 1965.
32. CTEC. *AUC 65/73*, Appendix I.
33. Australia. *CPD*, HOR 48 (12 November 1965): 2685.
34. CTEC. *65/116*, meeting 63, 3 June 1965, "NSW/4: Professorial Board – Funds for Research".
35. CTEC. *65/237*, meeting 71. "W/A 3: Discussion with Professorial Board representatives on 12 October 1965", p. 2.
36. CTEC. *AUC 65/142*, 21 June 1965, AVCC letter to Gorton relating to the ARGC and the proposed Advisory Committee on Research Activities.
37. Transcript of author's interview with Sir John Gorton.

38. *Third Report of the Australian Universities Commission on Australian Universities, 1964-69* (Canberra: Government Printer, 1966), p. 67.
39. Australia. *CPD.* Senate 32 (21 September 1966): 581.
40. Australia. *CPD.* Senate 32 (27 October 1966): 1508.
41. CTEC. *AUC 63/349* meeting 90, 2 December, "Special Research Grants for the 1967-69 Triennium", p. 5.
42. "C. L. S. Hewitt: Treasury Axeman to Universities Supervisor", *Nation* no. 207 (November 1966): 10.
43. Australia. *CPD.* Senate 33 (28 February 1967): 123.
44. *The Age,* 1 March 1967.
45. Transcript of author's interview with Sir Ernest Coates.
46. Australia. *CPD.* Senate 33 (6 April 1967): 628-53.
47. It would be difficult to substantiate Murphy's claims in view of similar changes in the UGC/government relationship at that time.
48. Australia. *CPD.* Senate 33 (6 April 1967): 634.
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50. Archives. *7/106/1 ARGC.* "Letter to Robertson", 11 January 1968.
51. *7/106/1, op. cit.*, Robertson to Baxter, 10 May 1968.
52. Maurice Kogan, *Education Policy-Making: A Study of Interest Groups and Parliament* (London, George Allen 1975) p. 199.
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55. Archives. *7/106/1 (Part II), op. cit.*, "Research: ARGC", 9 October 1968, Basten to minister.
56. CTEC. *AUC 68/357,* meeting 125, 19 December 1968.
57. CTEC. *AUC 69/46,* meeting 126, 23-31 January 1969.
58. CTEC. *AUC 69/89,* meeting 128, 28 March 1969.
59. Archives. *69/2200 (Confidential) AUC Recommendations 1970-72 Triennium – Government Considerations,* letter of Robertson to Fraser, 8 April 1979.
60. Archives. *7/6/2 Statements on the AVCC – meetings,* Minutes of the AVCC meeting, 17 June 1969.
61. *7/106/1, Ibid.*, Fraser to Gorton, 20 June 1969.
62. *7/106/1, Ibid.*, Fraser to Gorton.
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9

Towards national resolution of academic salaries

In 1974 the Academic Salaries Tribunal was established under the Remuneration Tribunals Act. It was founded as a Commonwealth agency with no State representation created principally as the result of the necessity to attempt to resolve two issues: first, whether differences in the character and function of CAEs and universities implied a difference in the level of salaries to be paid to academic staff working at institutions in either sector; second, the need to institute a mechanism to provide national guidelines for regular and equitable adjustments to academic salaries. At its inception the Tribunal was empowered to determine the salary rates for academic staff at the Australian National University and Canberra College of Advanced Education and to report to the Commonwealth Minister for Administrative Services in relation to academic salary rates for State universities and advanced education institutions. These rates were then used as a basis by the AUC and the Australian Commission on Advanced Education for making grants in respect to recurrent expenditure.

While State Governments and State based tertiary institutions have not been legally bound by the Tribunal's recommendations they have generally adhered to the academic salary rates suggested. As a result, the salaries of the various categories of academic staff now remain uniform across Australia.

This was not always the case and it was a series of discordant and *ad hoc* arrangements in the 1960s which led to the establishment of the Academic Salaries Tribunal as a Commonwealth agency. During that period public policy-making on academic salaries did not have the coherence and definition of a programme, particularly as the Commonwealth Government was sensitive to a possible accusation from the States that it was becoming involved in "wage-fixing" in universities.

Throughout the 1960s, with considerable reluctance, the AUC found itself inextricably involved in attempts to resolve the academic salaries issue. Despite its moves to adopt a disinterested stance, the AUC had to take part particularly as the component of the recurrent grants devoted to academic and non-academic salaries by each university was so large.

Very early in its life (March 1960) the AUC was persuaded by the Commonwealth Government to conduct an academic salaries inquiry, the recommendations of which were badly received by university staff associations. From 1960 to 1962 the public servants within the Prime Minister's Department who were advising the government strongly supported further AUC involvement, as, in the absence of an alternative review mechanism at Commonwealth Government level, they saw general advice on university salaries as part of the AUC's advisory role. But the AUC was very reluctant to agree. In 1964, a type of independent Commonwealth conciliation agency briefly operated to provide advice to the government on the level of academic salaries. Then in 1967, the Chairman of the AUC (Hewitt), with the concurrence of Gorton, used the services of the AUC to undertake a review in order to set the level of academic salaries. After that time, the concept of a conciliation agency gained greater acceptance with both the universities and the States and the AUC's role again diminished. By the end of the 1960s, the Commonwealth and State Governments, the university staff associations and the AVCC were looking to the establishment of a form of permanent review machinery for academic salaries at the national level. This sequence of events is illustrated in Diagram 5 The Relationship of the AUC to Policy Making on Academic Salaries, 1960–1970. The purpose of Diagram 5 is to show the way in which the AUC was periodically drawn into the issue.

In some ways, similar paths were followed in Britain and Australia, although parallel developments occurred a decade earlier in Britain, and the British UGC played a more active and sustained role than the AUC. Early in the postwar years in Britain a rough uniformity of academic salaries was established. In the 1950s the British Association of University Teachers (AUT) sought to negotiate academic salaries with the UGC and the Treasury by direct bargaining on a trade union model. During that time the UGC maintained a unique and important role in the process of reviewing academic salaries. There was no workable pattern of negotiation between employers and employees and the UGC did not act on behalf of universities but in its own right. For the UGC at that time, according to Aitken: "No other topic concentrated its attention or enlarged its usual attendance so much as salaries".[1]

The AUT put up to the government successive "claims" based on the comparability principle used by the Civil Service Commission and specifically on an attempted direct comparison with civil service salaries, arguing that the chief alternative employment for academics was the administrative or scientific class of the civil service. But this comparison was never specifically accepted by the UGC or Treasury.

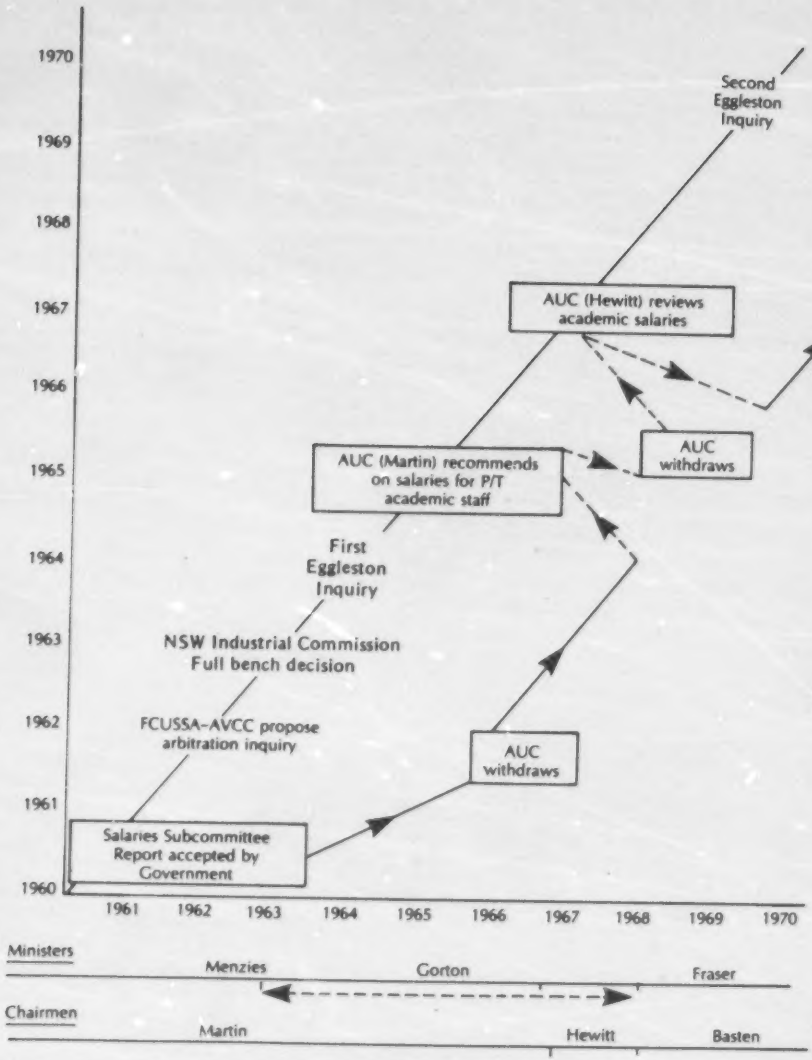

Diagram 5. The Relationship of the AUC to Policy Making on Academic Salaries, 1960–1970.

According to Aitken, a "stately minuet" developed whereby the UGC listened to the AUT, listened to the Committee of Vice-Chancellors and Principals and then made its own confidential recommendations to the government.

In 1963 the UGC's role was significantly diminished when academic salaries were made the subject of an independent review by the National Incomes Commission. There was then a brief reversion in 1966 to the arrangement whereby the government made a decision after consultations with the UGC, which in turn consulted the AUT and the Committee of Vice-Chancellors and Principals. As this reversion was not satisfactory, in 1968 and again in 1970 an independent review was conducted by the National Board for Prices and Incomes.[2] During that time much of the role previously undertaken by the UGC was gradually supplanted by the Department of Education and Science.

The sequence of events in Australia reflected the general direction taken in Britain, particularly the prominent role played by university staff associations and the Vice-Chancellors' committees in both countries. Another similarity was the establishment by the respective governments of a permanent formal review mechanism outside the area of responsibility of each countries' universities coordinating agency. With Australia, however, there was an added element. The tensions between Commonwealth and State levels of government complicated the evolutionary process. The States were wary of consenting to the establishment of a national agency capable of making decisions which would influence the level of funding and institutional autonomy of universities based in the States, and the Commonwealth was anxious to avoid the accusation of usurping traditional State powers.

The AUC's first advice on academic salaries

The Commonwealth Government's first involvement with academic salaries was the adoption in November 1957 of the recommendations of the Murray Committee, which felt that periodic reviews were necessary and ought to be "the function of the permanent university grants committee".[3] As a consequence of the Commonwealth Government's adoption of the Murray Committee recommendations, funds were made available to allow a minimum professorial salary of £3500 and for appropriate adjustments in other academic salary scales throughout Australia with effect from 1 January 1958. Nevertheless, after the Murray Report as before it, actual salaries paid and the salary scales agreed upon continued to be a matter

between staff associations, governing bodies of universities and the respective State Governments. In these circumstances, the decisions on academic salaries continued to be tardy and the uncoordinated timing and diversity of rates selected still engendered recurring confusion and discontent.

At the AUC's first meeting in July 1959 a most urgent and important item was whether the AUC should be responsible to provide advice to the government on academic salaries. At that time the only nationally set salary levels were at the Australian National University and Canberra University College.

Not long afterwards (February 1960) at a meeting with the AUC, the AVCC requested that the AUC advise the Commonwealth Government on a minimum salary scale for university professors.[4] Martin was reluctant to do so, especially as such a move could be misinterpreted as a desire by the AUC to become a salary fixing body. But the Vice-Chancellors continued to press their case. It seemed to the Secretary of the AUC (Dexter) that the AUC could not escape becoming involved especially as many individuals and organizations, including the Commonwealth Treasury, were anticipating that the AUC would become involved. Eventually, Martin was persuaded that he must commit the support of the AUC. At that time no-one would have predicted the storm of disapproval which soon erupted.

On 13 April 1960, Menzies approved of the AUC's recommendation for an interim increase in the basic professorial salary to £4000 in State universities from 1 July 1960. When this was made public there was an adverse reaction, particularly from university staff associations in New South Wales, Victoria and the ACT as the proposals implied a halving of increases proposed by university Senates at Sydney and Melbourne and a £200 a year cut in the increases proposed for Canberra University College and ANU. Overall, the reaction of State Governments varied from total support, to the decision by the NSW Government to ignore the recommendations completely.[5]

Having made these recommendations, Martin turned his attention to the establishment of the first national committee to conduct an inquiry into academic salaries. Martin felt that it would not be easy to appoint a suitable committee with the necessary stature from sources outside the AUC and the Commonwealth Government. He considered the Committee should have on it representatives of the Commonwealth Grants Commission, an economist and a university representative. When he discussed these proposals with his Commissioners they suggested that representatives of industry and the CSIRO should be included. One Commissioner said he would accept

the proposal only if the ANU was treated separately. His reasons for this view were that salaries at ANU and Canberra University College[6] had been fixed directly by the Commonwealth Government and in comparison with other university academic staff, ANU was favourably treated. The proposed inquiry had the potential to remove this advantage. Menzies approved the establishment of the Committee and, sensitive to the need for States representation, asked that Mr Seaman, Under Secretary, South Australian State Treasury, be included.

In the absence of Menzies overseas, the establishment and terms of reference of the committee to advise the AUC on university salaries were announced by the Deputy Prime Minister, Mr John McEwen, on 27 May 1960.[7] The statement had to be carefully phrased so that it defended the right of the Commonwealth to concern itself with movements in university salaries and yet not give the impression that the Commonwealth was either moving into an area of States' responsibility or could be blamed if the recommendations of the Committee went awry. Senior officers in the Prime Minister's Department were edgy about the membership of the Committee and the terms in which Martin had cast the original press statement. Despite these reservations, the Prime Minister's Department decided to support the AUC:

> . . . For the first time the Commonwealth is willy-nilly assuming a role in the university salaries field. It will take time for the universities to get accustomed to this idea, as they must.[8]

The level of acceptance of the Salaries Committee was particularly low in Canberra where both the University Staff Association and some senior administrators at the ANU disapproved both of its existence and of its composition as they felt the AUC was assuming the powers of a salary-fixing tribunal.[9] Elsewhere in Australia, university senates and university councils were concerned with the possible implications of the establishment of a salaries review committee as they felt that the level of academic salaries should remain as their responsibility. Although they recognized that the AUC needed to take salaries into account in order to recommend levels of grants, university governing bodies felt that the AUC should leave the universities as wide an area of discretion for the fixing of actual salary scales as was consistent with financial responsibility.

The first national inquiry into academic salaries

In its First Report the AUC justified its establishment of an

academic salaries committee in terms of the need for triennial recommendations as to an appropriate general level of academic salaries. At the same time, the AUC firmly stated that the final determination of salary scales was a responsibility of individual universities:

> . . . absolute determination of salary scales is not implied in this mandate. This is properly the responsibility of each university governing body. In determining such salary scales each university will undoubtedly take into account a number of circumstances, including availability of finance in its State and the salaries paid in other Australian universities.[10]

Before the Committee commenced its work, Martin sought the opinion of a Commonwealth Arbitration Commissioner as to the legality of establishing such a committee and on the nature of its procedural machinery. The reply left Martin with the impression that its establishment could not be legally challenged and that it would be free to provide advice in whatever manner it thought best. In the advice given by the Arbitration Commissioner there was no intimation of any possibility of establishing a permanent review mechanism for academic salaries at the national level.[11]

Some of the universities were concerned that the AUC salaries committee might decide to make an extensive inquiry into matters such as terms and conditions of employment which could adversely affect the autonomy of universities.[12] However, the salaries committee, careful to avoid entanglements with such issues, limited itself to salaries only.

The Federal Council of University Staff Associations of Australia (FCUSAA) wrote a letter of grievance to Martin objecting to the existence of the Committee. The Council was opposed as it felt that neither university staffs nor university governing bodies had been adequately consulted, that insufficient notice had been given of the intention to conduct the inquiry, that the Committee's members would not be able to present a balanced report due to their particular professional vantage points, and that public invitation had been sought for submissions in what the FCUSAA felt was a matter for universities and staff associations alone. They went on to ask for representation on the Committee. Martin replied to the FCUSAA justifying the existence and work of the Committee in its proposed form; FCUSAA representation was considered by the Committee at its first meeting and it was decided not to accept any further members. Later FCUSAA relaxed its attitude and provided a submission.[13]

Martin sought comment on the issues facing the Committee from

several advisers, including Sir Alex Reid, Chancellor of the University of Western Australia, a member of the Commonwealth Grants Commission and a member of the Murray Committee which had reported two years earlier. Reid suggested to Martin that the ideal solution was to have some form of independent body fix salaries and, in the absence of this condition, to leave things as they were.[14]

At that time the staff of the University of New South Wales had their salaries periodically determined by the New South Wales (NSW) Arbitration Commission. This procedure had arisen as a result of a step taken in 1951 when the Staff Association of the University (known at that time as the New South Wales University of Technology) sought and obtained membership of the NSW Teachers' Federation. As a consequence they gained access to the State Industrial Commission for the application of awards to staff up to, but not including, those of professorial rank. The decisions of the NSW Industrial Commission for the staff of the University of New South Wales became a pace setter in the academic salaries area, together with changes in salaries provided by the periodic judgements of the Commonwealth Conciliation and Arbitration Commission, particularly under the Engineers' Award and changes in the salaries of government employed professional groups (for example, those in CSIRO and the Commonwealth Public Service).

Martin felt that, although a qualified body such as a branch of the Commonwealth Arbitration Court might better have handled the matter, academics would never consent to an arbitration system:

> Can you imagine the staffs of State universities would submit themselves to such justice? The spectres of States' rights and university autonomy would surely have risen and frightened everybody to death.[15]

In his reply to Reid, Martin stated that he saw the AUC's role in the salaries issue as an indirect one, in that the form and amount of AUC recommendations for recurrent expenditure could encourage greater uniformity between salaries in the different State universities within limits which had a general approval. He expressed the hope that the AUC could achieve these things without running head on into the "ancient rights of university autonomy".[16]

The salaries committee saw a clear difference between their work and that of an arbitration tribunal. Their concern was with the salaries component of the matching grants which the AUC would recommend to the Commonwealth and they wanted to produce a report without delay in order to allow a decision before the 1961-63 triennium commenced, particularly as they felt the sense of injustice of staff associations: "... seemed to have become so widespread as

to be affecting the concentration of university staff on their proper functions".[17] Their report was ready by November 1961 and in it the committee expressed the view that the AUC should review university salaries before the beginning of each triennium and at any other time if abnormal circumstances arose. The report was received, considered and approved in full by the AUC before the commencement of 1961 and sent to the Prime Minister early in January 1962.[18]

Despite the alacrity with which the committee discharged its task, there was a long delay of six months before the government came to a decision. The report was considered during that time by cabinet at least twice.[19] That no action was taken was probably due to financial difficulties associated with the credit squeeze. Nevertheless, the absence of a decision created uncertainty in the universities. Finally, in the pre-budget session (July 1961) the government considered the proposals and decided to accept them in full. The Secretary of the AUC moved quickly to inform AUC Commissioners and the States, and sent each State Under-Treasurer a confidential copy of the report.[20]

The salary increases were small but they had the long term effect of creating greater uniformity between university salaries in Australia as the federal government provided additional money only to States which accepted the salary recommendations. But the immediate reaction of university staff associations was one of dismay, particularly among academics at some universities where salaries were already higher than those proposed. University staff associations were frustrated to have it brought home to them that the problem of setting levels of salaries was not going to be easily solved. It seemed to academics that they would have to live with the situation for some time and that they would have to seek the answers through other channels.

Later that year the members of the AUC agreed that the most sensible long term solution to the problem of academic salaries was to encourage university staff associations to form a federal union and apply to the Commonwealth Arbitration Court with a log of claims.[21] This view was supported by Mr L. B. Hamilton, a Commonwealth Treasury senior official and a member of the AUC's Salaries Committee. Hamilton felt that there was: "No reason why universities could not go to court and why there should not be some form of tribunal . . . it would have to be under the Federal Court".[22]

In view of the events just described, Martin decided (in December 1961) to withdraw the AUC from any further attempts to resolve the salaries issues. He felt that despite the AUC's good intentions it

was evident that university staff associations and the AVCC lacked confidence in its methods of dealing with salary problems. Nevertheless, much had been achieved, as for the first time academic salaries were beginning to achieve a degree of uniformity throughout Australia.

An independent inquiry proposed

The FCUSAA and AVCC met in Melbourne on 13 February 1962 and agreed to a proposal which they hoped would provide for periodic reviews of academic salaries in universities in Australia. They suggested that a presidential member of the Commonwealth Conciliation and Arbitration Commission should act as an arbitrator and that such reviews as would take place should fit in with the timing of the AUC's triennial recommendations. They saw this form of arbitration as voluntary and that the Commonwealth and State Governments, university governing bodies and university staff associations would need to agree to accept the findings.[23]

Soon after their joint meeting, representatives of the AVCC and FCUSAA met Martin to seek his reaction. Martin gave them clearly to understand that the AUC did not wish to be involved even to the extent of giving an opinion on what was the best path to follow. Not long afterwards (March 1962) an interdepartmental committee was formed by the Department of the Prime Minister to consider the implications for the Commonwealth Government of the AVCC/FCUSAA proposal. The committee consisted of representatives from the AUC, the Prime Minister's Department, the Treasury, Labour and National Service and the Public Service Board. It seemed to the Prime Minister's Department that despite the AUC's withdrawal, the Commonwealth was inextricably involved.[24] Although this interdepartmental committee encouraged the AUC to play a more active part, Martin continued to hold to the position of non-involvement he had decided was the proper role for the AUC.

In June 1962 the AUC began to prepare for its triennial visit to the universities and the States. At that time the AVCC informed the AUC that sufficient objections to the joint AVCC/FCUSAA proposals had been put forward to make it unworkable and that as a result both parties were backing away from their original intentions. This change in direction did not make the AUC any more prepared to discuss salaries issues.[25]

Despite this, once the round of visits commenced, the AUC was asked to state its position. During discussions with the staff association at Monash University, Martin said that the AUC could again draw the attention of the Prime Minister to the significant changes

in salaries and other areas of the economy, and Menzies might agree to move in the case of university salaries. However, the Commission was most reluctant to do this as it did not consider itself a salary-fixing body. Martin suggested that the universities might:

> . . . wish to have their case considered by some tribunal but he emphasised that personally he was not concerned about this procedure as he felt that the universities could lose a great deal if university salaries and conditions were equated to those of other groups in the community.[26]

At this time a decision was made by a NSW Arbitration Commissioner which was to change the direction of events. The Staff Association of the University of New South Wales, which alone among university staff associations had the legal right as a registered trade union to appeal to the Arbitration Courts, had secured a hearing from the Industrial Commission of New South Wales. Mr Commissioner Gorman granted annual salary increases to the University of New South Wales Staff Association's members ranging from £256 to £1036. The generosity of Mr Gorman's decision so embarrassed the State Labor Government that the NSW Minister for Labour and Industry, Mr J. J. Moloney, referred the award decision to the Full Bench of the State Industrial Commission for a hearing on 18 November.

Mr Gorman's decision and the subsequent referral to the NSW Full Bench immediately affected the academic salaries issue. It strengthened Martin's decision not to have the AUC participate for as at that moment the matter was out of everybody's hands except the NSW Arbitration Commission.

In December 1962 before the NSW Full Bench decision was known, FCUSAA approached Martin and suggested an independent national *ad hoc* inquiry to investigate the present salary situation. Martin suggested to FCUSAA that their best way forward was not through the AUC but to write to the Prime Minister with their case. Subsequently, in March 1963 FCUSAA wrote to the Prime Minister declaring dissatisfaction with the makeshift procedures for determining academic salaries.[27] FCUSAA expressed the belief that the level of academic salaries paid should be largely uniform across Australia and that proposals for review of these salaries should be decided on a national and not a local basis. They proposed that a national inquiry be established.

Fully aware of the constitutional difficulties of Commonwealth involvement and the inherent limitations of State jurisdiction, Menzies sought Martin's view and he in turn asked for an opinion from a Queen's Counsel specializing in conciliation and arbitration

matters. Martin was advised that the problem was perplexing and it was difficult to see an overall solution.[28] Martin's adviser agreed that it would be useful to set up an independent tribunal at Commonwealth level to consider the appropriate academic salary scales. As agreement of the federal cabinet to this course of action would be necessary, the Queen's Counsel suggested that the universities in consultation with the FCUSAA should together approach the Commonwealth Government.

Meanwhile, another important event was reaching fruition. In mid-1963 the long awaited judgement by the Industrial Commission of New South Wales was handed down. The Full Bench reversed Mr Gorman's decision and gave much smaller salary increases. This judgement dashed the hopes held by university staff associations of making progress with academic salaries through the channel of the State Arbitration Courts:

> There is something amiss with our Arbitration System when a Conciliation Commissioner can award salaries which are found unanimously by the Full Bench of NSW Industrial Commission to have been "hundreds of pounds greater than a just and reasonable figure".... In this process, however, industrial relations have been upset. The hopes of the university staffs and those of many sections of the State Public Service were lifted to false heights and then largely deflated.[29]

This decision added strength to the judgement of many people at the time that the only solution was to set up an independent inquiry at national level.

The first Eggleston inquiry

The Commonwealth Government, after some delay, as it wished to weigh up the consequences of the New South Wales judgement, eventually agreed to seek out a suitable person to conduct an independent inquiry into academic salaries. In October 1963 the Secretary of the Prime Minister's Department wrote to universities to say that the Commonwealth Government had decided it should establish some new machinery to advise it on the scale of academic salaries which could appropriately be adopted by the AUC for the purpose of calculating recurrent grants for each triennium. To allow the inquiry to commence its deliberations without undue pressure, cabinet agreed to offer interim grants on a matching basis to increase basic professorial salary scales to £4600 per annum from 1 July 1963.[30] It is of significance to note that the AUC was not to be

involved in assisting the inquiry in any way. This task was to be undertaken by the Prime Minister's Department.

It took longer than initially anticipated for the inquiry to get underway as a suitable member of the Commonwealth Conciliation and Arbitration Commission had to complete scheduled hearings before being available. Sir Richard (then Mr Justice) Eggleston was appointed in May 1964 and commenced his work in mid-July. Eggleston approached his task conscious that the need for the inquiry had arisen as a result of the lack of any national authority with power to determine salaries in all academic disciplines. He was sensitive to the request of Menzies that the inquiry should proceed in an informal way without such legal procedures as sworn evidence, verbatim records and public hearings. Eggleston conducted his inquiry in this spirit by making his hearings "administrative rather than quasi-judicial in character". He had as assessors Professor (now Sir David) Derham, Dean of the Faculty of Law at Monash University and Mr M. C. Timbs from the Australian Atomic Energy Commission.

Universities and staff associations were invited to make submissions to the inquiry and Mr Justice Eggleston with his assessors visited each university for discussions. The findings of the inquiry were adopted by the Commonwealth Government in November 1964, the new rates being retrospective to 1 January 1964. The recommendations established, for the purposes of university grants, a basic salary for professors, a salary for readers, the maximum point for senior lecturers and the minimum for lecturers.[31]

After conducting the inquiry, Eggleston was in favour of continuing the practice of what he termed "periodic reviews"[32] of academic salaries in times of need rather than in step with the triennial recommendations of the AUC. As he acknowledged, any decision on whether they should continue, and if so in what form, was exclusively the Commonwealth Government's.

As the Eggleston judgements did not include consideration for salary increases for part time academic staff, the AUC found itself again involved as Gorton asked Martin to provide a recommendation on appropriate increases. The AUC forwarded its recommendations on 6 May 1965 and on 19 May Gorton informed the AUC that the rates of pay for part time lecturing staff were to be increased as it had recommended. In the letter of 6 May to Gorton, Martin raised another matter which had arisen from the implementation of the Eggleston judgements. This was that as academic salaries had risen, so, perhaps, should administrative salaries. In the past it had been difficult to dissociate the two groups, particularly as the majority of staff receiving administrative salaries were not covered by industrial awards.[33] Martin felt this traditional practice was undesirable and

suggested a separate review in due course for administrative salaries. Gorton agreed with Martin that the practice should not be permitted to continue and promised to try and work out a solution.[34] In the interim, university governing councils constructed sets of salary scales for small groups of senior administrative and library staff customarily associated with academic salary changes.

With the Eggleston judgements and the subsequent follow-up work by the AUC, a corner had been turned. The Eggleston Report, which encompassed a work value assessment, was a major development in academic salary fixing. Although the type of permanent review mechanism for appraising the need for increasing academic salaries was as yet unclear, national interest in attempting to solve the academic salaries issue was now openly acknowledged.

The AUC review of academic salaries

In September 1966, nearly two years after the Eggleston Inquiry, the FCUSAA, which had undergone a change of name to the Federation of Australian University Staff Associations (FAUSA), asked Gorton to see if he could persuade the Commonwealth Government to agree to initiate regular reviews of academic salaries coinciding with the determination of triennial grants to universities.[35] But Gorton was not prepared to agree to this proposal at that time, particularly since, as a result of a cabinet directive, he was making a strong attempt to avoid any form of supplementation of recurrent grants during the triennium, especially those connected with salaries. Gorton's attitude applied to any proposed increases in salaries whether at university or CAE level and whether they were for academic or non-academic salaries.

In December 1966 FAUSA wrote to the incoming Chairman of the AUC, Mr C. L. S. Hewitt, and asked for an opportunity to discuss, among other things, the salaries issue. With the concurrence of Gorton, Hewitt decided to agree and in February 1967 the meeting between Gorton, Hewitt and FAUSA took place.[36] At the meeting Gorton asked whether the question was one of variations in salaries or of the appointment of an inquiry to consider the adjustments. Gorton wished to know too, whether the Federation, if there was room for agreement on adjustments, would still press for the appointment of a Committee of Inquiry.[37] FAUSA made it known that if agreement could be reached they would not press for an inquiry. Gorton then committed the Commonwealth to look at ways of considering an equitable adjustment to academic salaries.

Under the direction of Gorton, Hewitt then conducted a review which included consideration of university retirement benefit schemes – an opportunity which had arisen as a result of a simultaneous review being made for the Commonwealth Treasurer by Sir Leslie Melville, retired Vice-Chancellor of ANU, on mobility between varying forms of government and university appointments. Hewitt felt that although the AUC had refrained from considering the question of academic salaries since the publication of its Second Report, the question was very much a part of the AUC's responsibility.[38] He requested that FAUSA submit additional information to support its case after which he began to consult with the States to see if they felt FAUSA's proposals were reasonable. Should the States have disagreed, Hewitt thought that the AUC would find it necessary to appoint another Eggleston-type committee.

Six months earlier (August 1966) the AVCC had become concerned at the adverse influence the lack of regular machinery for adjusting salary scales was having on academic salaries and the marked effect this was beginning to have on recruitment and retention of academic staff. By that time the Commonwealth Conciliation and Arbitration Commission, which had previously been prepared to make annual adjustments for the Australian wage and salaries community on the basis of adjustments in the basic wage, had instituted a total wage concept. This produced a situation whereby almost the entire wage and salary earning community received percentage adjustments in their total remuneration according to the decision of the Commission. These were known as the National Wage Case decisions. The AVCC felt that it was anomalous that (except for a few salaries fixed by the Commonwealth and State Parliaments) academic salaries alone were virtually precluded by law from these general increases. Consequently, in September 1966, the AVCC wrote to Gorton suggesting an investigation be made into academic salaries in 1967.

In April 1967, almost a month after Hewitt had begun his review, all the governing bodies of universities agreed to an approach by the AVCC to the Commonwealth Government and simultaneously by each university to its State Government, to suggest the establishment of machinery for a periodic review of academic salaries. Matheson wrote to Gorton as Minister for Education on 17 April with this request and on 10 May Gorton replied saying he was not prepared to agree to set up such machinery and that a review was already being made on the basis of submissions from FAUSA.[39]

By mid-June 1967, Hewitt, after considerable negotiation, had obtained a final reaction from the States and was ready to summarize his proposals and recommendations. Throughout the

review Hewitt did not consult AUC Commissioners as a committee.[40] One Commissioner was of the view that while respecting the efficiency with which Hewitt carried out his task, the general feeling was that the AUC should not have become involved:

> . . . while we might privately think this was a matter in which the Commission should not be involved, we had a good deal of respect for the speed and professional ability of Hewitt in producing this document. The Commission was not consulted except to seek the formal approval of the finished document. I don't think that altered our fundamental view that the Commission should not be involved.[41]

On at least one important point Hewitt would have been in full agreement with his Commissioners. Hewitt saw the AUC's role as one of only offering advice. Therefore, if a formal inquiry was called for, the AUC would not take part.[42]

As there was considerable disquiet within the AVCC about the lack of consultation with governing bodies of universities, a delegation from the AVCC met Hewitt to discuss the proposed academic salary increases.[43] Hewitt explained to the delegation that the review was completed and it was not an interim one. Nevertheless Hewitt assured the delegation that Commonwealth Government policy remained unchanged and that an Eggleston-type inquiry would be considered whenever "prima facie data seemed to suggest its timeliness".[44]

After the deputation, Hewitt wrote to Gorton (23 June 1967) assuring him that university councils had a valid and vital interest in any academic salary adjustments and that they wished to be involved in any future reviews. Gorton acknowledged (on 26 July 1967) that he would be prepared to discuss university council views in the future but stated that it was his view that the major parties in such matters continued to be the federal and State governments and FAUSA.

At their August 1967 meeting the AVCC expressed "considerable disquiet" at the way in which the determination and announcement of the new salary scales had been handled by the Commonwealth Government. They were particularly concerned that the Commonwealth had chosen not to consult the AVCC or university governing bodies who, the AVCC felt, should have been considered as principals in all salary negotiations. They felt it was an "unhappy story" particularly as the salaries of tutors and demonstrators, part-time, library and administrative staff had not been considered in the review and it was now left to the universities to resolve these issues.[45]

On 2 July Gorton made a public statement indicating the Commonwealth Government's willingness to support an increase of 15 per cent for all academic salaries, with the exception of lecturers, the level of which was increased by 12 per cent. The salary increases were granted retrospectively to 1 July 1967. As the Commonwealth Minister announced these increases, the Commonwealth got the kudos. The Commonwealth Government stated that it would pay increases in full to the university in its own Territory (the ANU), but would support them in the States on the recurrent expenditure formula, provided the States agreed to participate on that basis. The States had little choice but to do so and with interesting tax implications. The increases in academic salaries in turn increased the average taxable income of academics to the point where the return to the Commonwealth Treasury was greater than the Commonwealth's contribution to the proportionate increases. For the States, the university salary increases only worsened their position.

The second Eggleston inquiry

In 1969 the AUC was again drawn into the salaries issue as the result of a request from the AVCC and FAUSA to conduct a review. After Hewitt's 1967 review, the level of academic salaries had remained generally acceptable to university academics. As considerable discontent was expressed by their counterparts in CAEs, in June 1968 the Commonwealth Government appointed Mr Justice Sweeney to:

> . . . advise on salaries of lecturers and senior lecturers in colleges of advanced education having regard to present levels of academic and professional salaries in Australia, with a view to such advice being used by the Commonwealth Advisory Committee on Advanced Education as the basis for recommending grants for colleges of advanced education.[46]

On 1 May 1969 Sweeney presented his report recommending that lecturers and senior lecturers whose qualifications were consonant with the criteria he had established should receive the same remuneration as their university counterparts. Responsibility for fixing salaries and other conditions of employment for staff in colleges of advanced education remained with the States. However, the practice since the Sweeney Report has been to adopt for colleges the university salary scales approved for funding purposes by the Commonwealth.

During early 1969 there had been large increases in the salaries of

Commonwealth employees with whom academics claimed some salary parity – professional officers in the Second and Third Division of the Public Service, Commonwealth Government employed Engineers, Architects and Research Scientists and the professional staff of the CSIRO. The AVCC felt that the increases were of sufficient magnitude to warrant prompt adjustment of academic salaries and as a consequence, the AVCC, in conjunction with FAUSA, produced a study paper in October 1969 suggesting a review. Then Sir John Crawford, as Chairman of an AVCC subcommittee on academic salaries, wrote on 20 October 1969 to the Minister for Education and Science (Mr Fraser) asking that he receive a delegation from the AVCC to discuss the matter of revision of academic salaries by a negotiated settlement rather than through an inquiry.[47] Not long afterwards, the Chairman of the AUC, Basten, replied saying that he had been invited by the minister to open negotiations and in a subsequent discussion Basten pointed out that the minister (and his possible successor) had not decided as to whether an inquiry or a negotiated settlement was appropriate.

At the November 1969 meeting of the AUC the issue of academic salaries was discussed. Basten point out to his Commissioners that the AVCC and FAUSA favoured a review. Basten told his Commissioners that the Minister leaving the portfolio (Mr Fraser) now favoured an Eggleston-type inquiry and that his successor (Mr Nigel Bowen) had yet to make his views known but in the event of either an inquiry or a review, Bowen wished all of the States to be consulted. After considering the matter further the AUC concluded that an "Eggleston-type inquiry" would be more appropriate on this occasion.[48]

The AUC then obtained the views of the States. Each State gave full support to a similar inquiry to that of Mr Justice Eggleston in 1964 and the Commonwealth Government then agreed to support the proposal. Both the Commonwealth and the States agreed that any salary-increases resulting from the Inquiry needed to be retrospective to 1 January 1970.[49]

Early in 1970 Sir Richard Eggleston was called upon for the second time by the Commonwealth Government to inquire into academic salaries. His terms of reference were identical to the 1964 inquiry, the same two assessors assisted him and he was asked to produce a report quickly in order to bring up to date the existing university academic salary levels. As Eggleston observed, the purpose of the Inquiry was as follows:

> There is no body in Australia that has the power to determine academic salaries in all disciplines for the whole of Australia. The

> solution was accordingly adopted of asking me to make a recommendation which could be used by the AUC for the purpose of recommending grants to be made to universities by the Commonwealth . . . with the concurrence of the States.[50]

Eggleston's recommendation that professorial, associate professorial and reader's salaries be increased 20 per cent and the commencing salary of a lecturer by 17 per cent were accepted by Commonwealth and State Governments as was his recommendation that from January 1971, the academic salaries be subject to National Wage Case decisions.

Sensing the mood among academic circles, Eggleston recommended a more thoroughgoing review of the structure of academic salaries as a whole. At that time New South Wales and Tasmania expressed support for the idea of establishing permanent machinery for periodic reviews. They were later supported by the other States. Consequently, in 1972 another major inquiry into academic salaries was instituted. The Hon. Mr Justice W. B. Campbell was asked by the then Minister for Education and Science, Mr Malcolm Fraser, to examine the work value of university academic staff and recommend new salaries for them and to advise on the establishment of permanent machinery for future salary reviews. On 16 May 1973, Campbell presented his report to the then Minister for Education, Mr Kim E. Beazley, and his recommendations as to salary levels were adopted by Commonwealth and State Governments. As a consequence of the Campbell Inquiry, the Academic Salaries Tribunal was established in October 1974.

Conclusion

As this chapter has demonstrated, policy-making on academic salaries in Australia in the 1960s was haphazard, complex and subject to considerable change. Until the late 1960s the specific role of government in the issue was surrounded by uncertainty. The resolution of the academic salaries issue by the establishment of a permanent review mechanism at national level took so long because of the tensions between preservation of institutional autonomy and "States' rights" on the one hand and the need for the Commonwealth Government to try to account for its expenditure on salaries on the other. The increasing influence of the Commonwealth Government in shaping policy occurred in a series of fits and starts; the movement towards a national resolution was steady but gradual from the mid-1960s onwards. From 1968, with the tremendous

growth in the CAE sector and the considerable differences in size and scope between tertiary institutions in the CAE and university sectors, it was necessary for the Commonwealth to attempt to establish and maintain a work-value parity between academic salaries in both sectors.

Throughout the 1960s, the AUC was intermittently involved in the academic salaries issue. Unlike the UGC in Great Britain, the AUC was never happy to accept the role of a reviewing agency for any length of time. The AUC played a key role in keeping the issue evenly poised. As governments, the AVCC, university governing bodies and university staff associations worked towards a solution, sometimes in conflict and at other times in cooperation, the presence of the AUC allowed a fall back position to be adopted before further attempts were resumed.

It is important to point out that in terms of the tension between institutional autonomy and public responsibility the establishment of the Academic Salaries Tribunal greatly limited the autonomy of universities in the area of wages and salaries as academic salary rates became largely determined by a national tribunal. Yet it was the underlying egalitarian approach adopted by the university staff associations and the AVCC, at times collectively and at times separately, which led to this solution. Through many years of persuasion these bodies exerted strong pressure to establish a national system to provide for similar salaries and similar conditions of work for academics.

Notes

1. Sir Robert Aitken, 'The Vice-Chancellors' Committee and the UGC', *Universities Quarterly* 23 no. 1 (Spring 1969): 167.
2. *National Board for Prices and Incomes*, Report No. 98, "Standing Reference on the Pay of University Teachers in Great Britain" (London: HMSO, Cmnd. 3866), December 1968.
3. *Report of the Committee on Australian Universities*, para. 213.
4. CTEC. *AUC 60/9*, AUC meeting with AVCC, 4 February 1960, p. 1.
5. *Daily Telegraph*, Sydney, 25 May 1960, "University Salary Rises Cut".
6. Canberra University College was incorporated into ANU with the passage of the Australian National University Act through Commonwealth Parliament on 30 September 1960.
7. CTEC. *AUC Sub-committee on University Salaries: Documents S/C 1*, statement by the Acting Prime Minister, 27 May 1960. The committee consisted of Sir Leslie Martin, Dr Coombs (Governor, Reserve Bank), Mr L. B. Hamilton (Commonwealth Treasury), Professor Sir George Paton, Chairman, AVCC, Mr G. F. Seaman, Under-Treasurer, South Australia and Mr C. W. Weickhardt, Technical Director, Imperial Chemical Industries (ICI).

8. Archives. *65/3233, AUC Committee of Inquiry into University Salaries*, file note, 30 May 1960.
9. Archives. *10/3/1, Salaries 1961-63 General*, Dexter to Bunting, 7 June 1960.
10. *Report of the Australian Universities Commission on Australian Universities 1958-1963*, p. 16.
11. CTEC. *AUC 60/78, Salaries Committee: Opinion of Assistant Commissioner, Public Service Board*, letter of 15 June 1960.
12. CTEC. *AUC Sub-Committee on University Salaries: Documents SC/25*, Submission UNE, June 1960, p. 2.
13. CTEC. *AUC Sub-Committee on University Salaries: Documents SC/11*, 1 July 1960. Letter from Thorpe and Wheelwright (FCUSAA) to Salaries Committee.
14. CTEC. *AUC Sub-Committee on University Salaries: Documents SC/29*, University of W.A. (A. J. Reid, Chancellor), 1 July 1960.
15. Archives. *10/3/1 Salaries, 1961-63 Triennium*, Martin to Sir Alex Reid, 5 July 1960.
16. *10/3/1, Ibid.*
17. CTEC. *AUC Sub-Committee on University Salaries: Documents SC/41*, Dr Coombs (Introductory notes).
18. *SC/74, Ibid.*, Report to the Prime Minister, 6 January 1961, pp. 1, 6.
19. CTEC. *AUC 61/73*, meeting 14, 20 June 1961.
20. Archives. *10/3/1 Part II, Salaries 1961-63 General*, 31 July 1961, Report of the Salaries Committee, Minute of Dexter.
21. CTEC. *AUC 61/92*, meeting 17, 8 December 1961, 2(3).
22. CTEC. *AUC 61/92, ibid.*, 10 September 1963, Minute of Dexter.
23. CTEC. *AUC 61/11*, Joint proposal by AVCC and FCUSAA to Academic Salaries Determination agreed to at a joint meeting of AVCC/FCUSAA in Melbourne on Tuesday, 13 February 1962.
24. CTEC. *AUC 62/11, Ibid.*, Martin to Bunting, 20 February 1962, re: FCUSAA and AVCC on machinery for academic salaries.
25. CTEC. *AUC 62/152*, meeting 30, 5 July 1962 (Armidale), p. 2.
26. CTEC. *AUC 62/170*, meeting 33, 25 July 1962, p. 3.
27. CTEC. *AUC 63/31*, FCUSAA letter to Prime Minister, 22 March 1963.
28. CTEC. *AUC 63/45 Advice regarding University Salaries*. Opinion of Queen's Counsel specializing in Conciliation and Arbitration. Melbourne, 2 May 1963, p. 3.
29. *Sydney Morning Herald*, editorial, 9 July 1963.
30. CTEC. *AUC 63/92*, Prime Minister's letter to Chairman about the Commission's Report, 16 October 1963, pp. 1, 2.
31. Commonwealth of Australia, *Report of the Inquiry into Academic Salaries* (Canberra: AGPS, October 1964) p. 8.
32. *Report of the Inquiry into Academic Salaries, Ibid.*, p. 8.
33. Archives. *65/2454, 1965 Amendments to the Universities (Financial Assistance) Act 1963-64, Legislation*, Martin to Gorton, 6 May 1965, p. 5.
34. *65/2454, ibid.*, Gorton to Martin, 19 May 1965.
35. CTEC. *AUC 66/333*, Gorton to Professor Brett, 22 September 1966.
36. Archives. *7/4/1 Part I*, Hewitt to Gorton, 8 December 1966, concerning letter from President of FAUSA.
37. CTEC. *AUC 67/58*, meeting 92, 2 June 1967.
38. CETC. *AUC 67/40*, meeting 91, 20 March 1967, para. 108.
39. CTEC. *AUC 67/58*, meeting 92, 2 June 1967, paras. 16, 18.
40. CTEC. *AUC 67/54*, meeting 93, 18 June 1967, paras. 9, 22, 25, 42.

41. Transcript of author's interview with Professor N. S. Bayliss.
42. CTEC. *AUC 67/54, op. cit.*
43. *Australian Vice-Chancellors' Committee.* Meeting 4/67, Item 91. The delegates were Sir John Crawford, Professor P. Karmel and Dr L. Matheson.
44. CTEC. *AUC 67/65,* meeting 93, 19 June 1967.
45. *Australian Vice-Chancellors' Committee.* Meetings of 16, 17 August 1967.
46. *Report of the Inquiry into Salaries of Lecturers and Senior Lecturers in Colleges of Advanced Education* (Canberra: AGPS 1969).
47. *Australian Vice-Chancellors' Committee.* Sub-Committee on Academic Salaries, 6 November 1969.
48. CTEC. *AUC 69/156,* meeting 134, 25 November 1969, p. 3.
49. CTEC. *AUC 70/28,* meeting 140, 10 September 1970.
50. *Report of the Inquiry into Academic Salaries* (Canberra: Commonwealth Government Printer, 1970), p. 2.

10
The AUC and coordination of a tertiary system

In 1961, as a result of cabinet's wish to modify the system of education associated with traditional universities in Australia and the AUC's expression of willingness to conduct an inquiry into this matter, the Committee on the Future of Tertiary Education was formed (The Martin Committee). In this chapter, the Martin Committee is viewed as an extension of the AUC. One strong recommendation of this committee was for the formation of an Australian tertiary education commission and as a consequence the AUC became prepared for the possibility of an expansion in its advisory function.

However, the Commonwealth Government rejected this concept principally for three reasons. First, it was reluctant to be seen as encroaching on an area of State responsibility. Second, the Commonwealth Government believed that as the AUC ought to be university oriented it was unreasonable to expect that agency to develop what was to become known as the advanced education sector. Third, the Commonwealth Government wished to keep a closer control over such new developments than allocating them to an established statutory authority would have allowed.

The effect of these 1960s developments in tertiary education on changing the function of the AUC as a coordinating agency is shown in Diagram 6 The Relationship of the AUC to Policy Making on Tertiary Education, 1960-1970. From 1960 until 1965 when the Commonwealth Government's decisions on the Martin Report became known, the AUC's function was a central one. Then, from 1965 until 1968, the AUC provided advice only on university development. By 1968, following the establishment of the Commonwealth Advisory Committee on Advanced Education (CACAE) and the rapid growth of the CAE sector, closer cooperation became necessary between the two Commonwealth agencies. Consequently, these two agencies held consultations before the AUC's Fourth Report in 1969. However, the Commonwealth Government's policy of separate development of the university and CAE sectors continued.

In Chapter 3 it was asserted that among other purposes, govern-

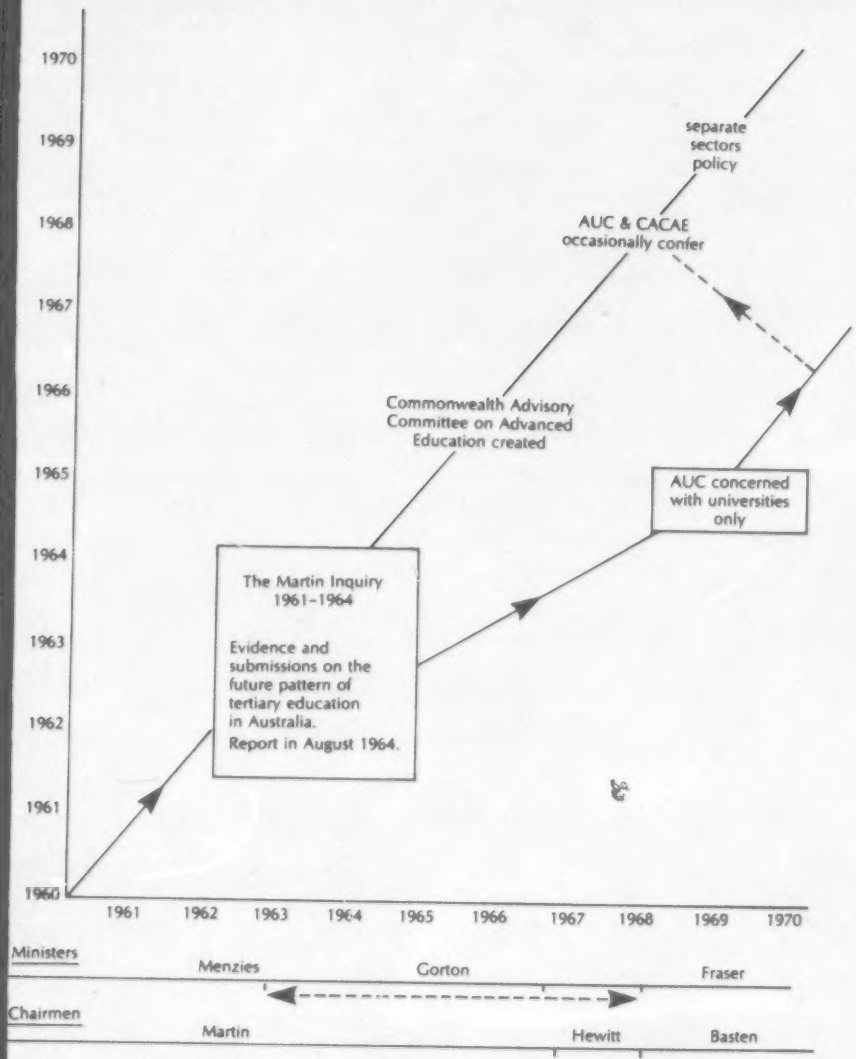

Diagram 6. The Relationship of the AUC to Policy Making on Tertiary Education, 1960–1970.

ments were inclined to use statutory advisory authorities, commissions and committees of inquiry to focus on new problems, particularly problems which did not require immediate government action. As Chapman has observed:

> Sometimes it may be necessary to establish a Commission to focus attention and appreciate a situation, otherwise there is no effective means of ascertaining the views of interest groups on specific suggestions for future policy. Commissions enable outside interests to formulate views and also provide a means for appointing officials to consider matters that may be considered important but would otherwise be set aside because they were not sufficiently urgent.[1]

Subsequent reports from such committees of inquiry sometimes created a climate for action. Evidence later in this chapter supports the claim that this was the case with the Martin Report.

Vickers attributes to such committees of inquiry an analytic/catalytic role.[2] According to him similar mental processes operate in each committee of inquiry irrespective of subject matter as each is concerned with the problem of how to assimilate a major change with the greatest net gain (or least net loss) of "value" while preserving the balance of the system. Another researcher, Heclo, observed the prominent part played by such committees of inquiry in changes in social policy. He claimed that such agencies were consciously designed to aid in political learning.[3] Both these concepts are useful in explaining the changes in function of the AUC as a result of the Martin Report.

Opinions of interested organizations and individuals in Australia in the mid-1960s both about the nature of tertiary education and the best ways to foster its development were central elements in what the Martin Committee investigated and the way in which it went about its work. The members of the committee became testers of ideas and examiners of the validity and practicality of proposals put forward.[4] They became a dominant part of the learning process by which public policy on tertiary education was moulded.[5]

Martin knew that his committee needed to consider the particular needs of each State and that apart from considering the future of universities one of the Committee's main responsibilities was to consider prospective technological requirements of Australia and the place of teacher training in any new directions taken by tertiary education. As well as this Martin was fully conversant with the establishment and terms of reference of the Robbins Committee in Great Britain (established on 8 February 1961).[6] To enable his own committee to examine the widest range of training beyond

secondary school, Martin drafted the terms of reference of the inquiry so that they closely followed those of Robbins.

There were several important similarities between the two inquiries. Both represented the first remits given by governments in each country for a comprehensive survey of tertiary education. Both were concerned with the redesign of an institutional milieu, particularly with changes in the complex set of values attached to the concept of a university. The committee members on both inquiries accepted that university isolation had been eroded, partly by increasing dependence on government support and partly by the need to extend opportunity for tertiary education to the rising numbers of qualified school leavers demanding it. Finally, the Robbins and the Martin inquiries were both influential in changing the scope and functions of the coordinating agencies for university development in each country.

Despite these similarities there was a fundamental distinction between them as a result of the differing nature of the systems of government in Britain and Australia. As this chapter will demonstrate, differences between the States in their university development and in the orientation of their education systems counteracted some of the recommendations made by the Martin Committee. The existence of State Governments with traditionally held constitutional rights in education determined the approach adopted by the Commonwealth towards some central recommendations of the Martin Report, including the advice concerning the future role of the AUC.

Martin forms a committee

In June 1960 Martin and Menzies held an important discussion as Menzies was concerned that the projected numbers of university students and the increase in estimated costs could "swamp the budgets of the Commonwealth and the States".[7] The only way Menzies could see this being prevented was through a major modification and reconstruction of the university system whereby the capital cost per student could be brought down. As a consequence of this meeting the AUC submitted a proposal to make a special investigation into the development of tertiary education and Menzies took the proposal to cabinet.

Cabinet agreed to the proposal, stressed that it was "a most vital task",[8] particularly in relation to budgeting and should be undertaken immediately. As part of the inquiry cabinet recommended that universities be persuaded to re-examine all their procedures in

order to ensure that future funds provided were used as effectively and economically as possible. After receiving cabinet approval Martin began to form his Committee.

Initially, Martin had complete discretion in choosing members for the Committee and by January 1961 he forwarded to Menzies the names of six persons, only one of whom had a non-university background. Martin suggested himself as Chairman.[9] A month later, after discussions with senior officers in the Prime Minister's Department, Martin provided the names of five others whose background and experience were in commerce or industry.

Menzies then considered the composition of the committee and the implications of the inquiry. There was some delay due at least in part to the pressing economic problems of the credit squeeze. Menzies took great care in his deliberations as he was anxious that the committee would be able to do "a very thorough job".[10] With advice from his own department, Menzies decided that Martin's committee was not yet complete as it was not representative of technical and secondary education interests. As a result of subsequent suggestions, Mr R. R. Mackay of Melbourne Technical College (now Royal Melbourne Institute of Technology) and Dr H. S. Wyndham, Director-General of Education, New South Wales, became committee members. Menzies then obtained cabinet approval to get the committee underway.[11]

Two of Martin's views on the tasks facing the Committee were to have an important bearing on its work and on the conceptualization of a possible new role for the AUC. First, Martin was aware that optimum alternatives for the future of tertiary education needed to be considered. To enable this to be done, the Committee required a substantial input from as many informed sources as possible.[12]

Second, Martin was conscious of the difficulties of attempting to balance national interests in tertiary education against State level interests. For example, at the time of the commencement of the Martin Inquiry (1961), New South Wales and Victoria, feeling the weight of increase in student numbers and the effect on their States' budgets of matching Commonwealth grants for universities, had each decided to hold a State inquiry into the future of tertiary education. In Victoria, a Committee for the Development of Tertiary Education (the Ramsay Committee)[13] accepted as a first principle that every student meeting the required entry standards should have the right to university entry. In August 1961, as a result of the need to allow for student intakes far in excess of estimates, an interim report from the Ramsay Committee recommended to the State Minister of Education that Monash University's development be

rapidly accelerated and that planning begin on a third university (La Trobe).

In New South Wales in 1961 a Committee on Higher Education (the Price Committee)[14] was formed to review the whole tertiary scene and it produced its report before the end of that year. As a matter of urgency, the report was devoted to universities and its chief recommendation was for a third metropolitan university (Macquarie). The Price Report was significant in that many of the recommendations it made added up to a continuance of the existing pattern of development of universities. The consequences were that, when the New South Wales government agreed to the general direction recommended, the universities in New South Wales expanded. This expansion was to pre-empt the development of the college sector in that State later in the 1960s.

Despite liaison between these two State level inquiries and his own, Martin was not at all pleased with the recommendations made. The conclusions in the Price Report were contrary to advice he had already passed to the universities and to the New South Wales government during the AUC visit in 1960. For example, Martin strongly opposed the suggested expansion of the activities of the University of New South Wales. Another important reason why Martin was displeased was that these moves in two major States were made before whatever recommendations he and his Committee wished to make for national development of tertiary education.

Martin was conscious that although State interests were a prime concern, his inquiry was of a national nature and that the Commonwealth Government had initiated it. He recognized the task as enormous and full of pitfalls, especially in the light of "States' rights" issues. Although Martin foresaw that "as the price we pay for the historical Commonwealth/State relationship",[15] some duplication of effort would occur, he remained convinced that the main task of his Committee was the development of a pattern of tertiary education for Australia as a whole, while recognizing the problems of each State.

Major proposals developed by the Martin Committee

As "testers of ideas" and "moulders of policy",[16] the Martin Committee, in its deliberations on four major issues had an important influence both on the direction taken in the development of tertiary education in Australia and on the future role of the AUC as a coordinating agency. First, the Martin Committee was unable satisfactorily to define a tertiary institution or to point to the distin-

guishing qualities of a non-university tertiary institution. Second, the Martin Report successfully promoted the concept that investment in tertiary education made sound economic sense and would contribute to the country's material prosperity. Third, the Committee developed a concept of "institutes of colleges" as a way whereby Commonwealth money could be channelled to the States for the development of tertiary education. And finally, the Committee recommended the replacement of the AUC by a national advisory agency for tertiary education. These proposals are now considered.

Some critics claim that a major shortcoming of the Martin Report was that it did not provide a fully thought out concept of the nature of alternative tertiary institutions. However, the Committee's task in this respect was not easy. In the early 1960s tertiary education consisted of a dozen universities, most located in the capital cities, together with a medley of State controlled technical institutions and teachers' training colleges. The latter were in the process of extending their two year programmes to three years, the former were vocationally oriented and enrolled large numbers of part time students for a wide range of courses. The gap between these institutions and the universities in funding, autonomy and prestige was immense. Thus, although the Commonwealth Government wanted advice on suitable alternatives to the traditional universities, it was difficult for the Committee and the majority of those providing submissions to it to think constructively and argue convincingly for a type of institution different from what was already known and accepted. Even those who made submissions specifically critical of universities argued for repair and renewal rather than for new alternatives.

One alternative which was closely considered was that of the American Junior College and early in the life of the inquiry Martin, accompanied by the Secretary of the AUC (Dexter), visited the USA chiefly to obtain first hand impressions of the Junior College system in California. In Australia at that time Junior Colleges were generally seen as an appendage to a university or universities' network; the true function of a Junior College as an independent tertiary institution was seen clearly by only a few. One of these, Professor Sir Leonard Huxley, Vice-Chancellor of ANU, in a submission to the Martin Committee claimed that the lack of diversity in the Australian university system was due to an exclusive concentration on the British tertiary education model. Huxley accurately depicted the Junior College neither as a direct barrier nor as a direct link through which all students needed to pass to enter university.[17] After consideration it seemed to the Martin Committee that the Junior College concept was foreign to the existing structure of tertiary

education in Australia and that such institutions would not survive a transplant to Australian academic soil.

A further problem existed. The Martin Committee was unable satisfactorily to distinguish between a tertiary and a non-tertiary institution and hence provide a classification from which patterns of tertiary education could be made.[18] Their task was made no easier by the existence of hybrid institutions such as agricultural colleges some of which offered some courses with tertiary level elements at their upper limits. Half the life of the Committee elapsed before it was realized that an accurate classification of tertiary institutions did not exist and that such a classification was needed to reinforce the recommendations the Committee hoped to make. However, although a listing of institutions was compiled, the Committee lacked the resources to complete the task further. All it could do was build into its report suggestions that such work should be completed at a later time.

The lack of clear alternatives to universities and the difficulty of classifying non-university institutions was to be an important influence in the range and diversity of institutions which came to form the pattern of the CAE sector in the late 1960s and contributed to the difficulty of distinguishing between the functions of a university and a CAE.

The second proposal was to establish the need for a more rigorous economic basis for the development of tertiary education. At the first meeting of the Committee, Martin emphasized that the primary objective of the inquiry was to advise the government on ways and means of avoiding uncontrolled cost rises in tertiary education. To tackle this objective, the Martin Committee came to rely on the work of one of its members, Professor Karmel. Throughout the inquiry Karmel produced cogent arguments on the need to consider economic and financial aspects of tertiary education as a foundation on which to base suggestions to government for changes in the pattern of tertiary education in Australia.

First, Karmel was able to put into more appropriate terms the self-evident truth that complete freedom of educational choice was an unattainable ideal. Its achievement needed to be tempered by the financial resources available.

Second, Karmel showed to the Committee that the costs of schooling in Australia had proportionately increased in relation to other costs met by public sector revenue due to the high rate of growth in the school age population. The increase in numbers of schoolchildren had implications for the future funding of teacher education in the short term and for increases in the Commonwealth's share of funding of tertiary education.[19]

Third, it was Karmel's view that the projected sharp increases in numbers of tertiary students were short term and would level out with commensurate reductions in total government expenditure on tertiary education. As a consequence, Karmel saw a need for a long term as well as a short term view in considering the optimum patterns of growth for tertiary education.

Finally, Karmel was able to point to the need for a valid and efficient measure of the proportion of resources devoted to education (including tertiary education) before a judgement could be made of what was an acceptable level of national resources or Gross National Product (GNP) which should be so allocated.[20] Karmel demonstrated that correct statistical procedures and evidence did not exist to allow such a measure to be accurately made and suggested the steps which needed to be taken to remedy the situation.

Karmel's views were reflected in one of the central themes of the Martin Report. As education was an important factor in economic growth, its support by governments could be justified and in some measure determined by regarding it as an investment of a proportion of national resources in the expectation of future economic benefit. One of the Martin Committee's prime concerns became investigating and arguing ways in which the future development of tertiary education could both contribute to the country's material prosperity and be supported by it.

A third proposal, which was to be of major influence on the direction taken in the development of tertiary education in Australia, was the Martin Committee's notion of an institute of colleges. This concept evolved as the result of consideration of three different but related developments.

The first development was that the Premier of New South Wales wrote to Menzies requesting Commonwealth aid for technical education. Menzies, who had promised support for technical institutes in the States, passed this "Case for Commonwealth Aid to Technical Education in Australia" to the Committee as a submission. The submission argued that there should be a Commonwealth policy of vigorous development of technical education both for general welfare and development of the nation and for the effective implementation of specific Commonwealth policies, and that Commonwealth aid would be consistent with State responsibility for education. At that time, the New South Wales government had not sought support from other States. It was of concern to the Martin Committee that there seemed to be no way for it to obtain a clear and comprehensive view of the position with regard to technical education throughout Australia.

The second development was that, as Chairman of the AUC, as a physicist and member of the Commonwealth Government's Defence Committee, Martin had first hand experience of the difficulties involved in developing technological education at universities. He knew that a middle range of expertise was urgently needed, that of the technician and technologist. As universities had tended to neglect this middle range and in fact had often transformed it by turning technical training courses into professional courses, Martin was convinced that this development was best undertaken in new institutions.

The third development, readily apparent in developments overseas, was that Australia was seriously lagging behind in the growth of higher technological institutes. Although several senior technical colleges with superior reputations were operating in the States, there was no national perspective on their function and status. Martin felt that the higher technological institutes he had in mind[21] would have to provide a core of studies in the humanities and social sciences as part of the curriculum leading to a technological degree, that they would need greater freedom from government control and that they would need to be able to operate in a federation of states with Australia's constitutional framework.

Martin and several members of his Committee realized that a possible workable model was already emerging in Victoria where considerable thought was being given by non-university tertiary institutions to the establishment of an institute of colleges to represent their collective interests to the Victorian government.[22] The Martin Committee felt this model could be adapted to suit the needs of other States as through a system of State Institutes of Colleges the Commonwealth could financially assist technological education in the States and yet avoid awkward constitutional challenges.[23] The institute concept could protect institutional autonomy, provide an instrument for monitoring high academic standards and allow for the inclusion of both government and non-government institutions.

This concept was seen to have possible application to teachers' colleges as well, especially by members of the Martin Committee who felt that statutory State boards of education ought to be set up to run teachers' colleges and to employ staff under conditions not controlled by State education departments. This idea was initially resisted by other Committee members with a background in teacher training who supported the existing arrangements.[24] The Institute concept was discussed with appropriate State Education Department officials and as they seemed willing to accept the idea the Martin Committee agreed to adopt it.[25]

The fourth proposal concerned the replacement of the AUC by a national advisory agency for tertiary education. When it came to be written, the Martin Report provided a very general plan for tertiary education to the year 1975. The plan covered growth in the number of students, the distribution of students among universities, institutes of technology and teachers' colleges, the creation and location of new institutions and the increase in expenditure for tertiary education relative to the Gross National Product. Its recommendations were framed in the light of constitutional problems, and the recognized inability of the States to pay for the anticipated expenditure between 1963 and 1975 of university enrolments by at least 80 per cent and other tertiary institutions by 150 per cent. As has been shown, the Martin Committee favoured the establishment of institutes of technology and institutes (or boards) of teacher training in the States, adapted to the needs of each State. To bring these ideas into reality, the Committee considered that a coordinating mechanism should exist at Commonwealth level to act as a channel and monitor Commonwealth funds. It warned that the existence at national level of three bodies all associated with tertiary education "would lead to difficulties of coordination"; thus it sought "one organization with a triple responsibility".[26] The Committee felt that the most satisfactory agency was an extended AUC, to be called the Australian Tertiary Education Commission (ATEC).

Some impetus for the proposal to establish one central agency may have been given by the report of the Robbins Committee, which was published in October 1963, a time critical to the directions taken in the drafting of the Martin Report. The Robbins Report suggested the establishment of a single grants commission for all higher education, modelled on the UGC but with a larger staff and under the responsibility of a new ministry called Arts and Science. With the existing university, technical college and teachers' college structure and the findings of Robbins known to it, the Martin Committee accepted the case of maintaining and increasing the diversity of tertiary education and saw the establishment of a single national agency as assisting in this task.

Commonwealth Government reaction

In mid-July 1964 the members of the AUC met to consider the Martin Report, a Report which they had commissioned and for which they had to accept final responsibility. After the AUC commissioners considered several minor changes, they then discussed

in considerable detail the possible implications for the AUC's future of the recommendation for an Australian Tertiary Education Commission.

It was Martin's impression that the existence of three separate tertiary education authorities at Commonwealth level would create difficulties, as each authority would approach the government independently for funds and a "bun-fight would develop". Martin told his commissioners that in his view it was likely that a Commonwealth Ministry of Education would soon be proposed by the government and that its preoccupation would mainly be education outside the tertiary education field.[27] Martin saw the AUC as the only organization with the knowledge to coordinate properly the proposals of the Martin Committee. The AUC Commissioners then agreed that a coordinated approach would be preferable, particularly as they felt that the detailed investigation of submissions from each institute would be the responsibility of the respective State level institutes of colleges and boards of teacher education. They then supported the proposal to establish an Australian Tertiary Education Commission and agreed that such a body should have statutory power.

Until the Commonwealth Government made plain its decisions on the Martin Report, Martin and his fellow Commissioners decided that their best plan was to assume that the functions of the AUC would remain unchanged.

The two major reasons for the Commonwealth's decision not to adopt the Martin Committee recommendations in full were the size of the expenditure increases proposed and a reluctance to undertake any action which could be interpreted as intervention in areas of State responsibility.

Since the beginning of the 1960s the Commonwealth Government's advisers within the Prime Minister's Department had provided regular encouragement to the issuing of a statement which would clarify the Commonwealth's attitude towards the funding of education in the States. In their view, it was necessary to avoid any situation in which it could be assumed that Commonwealth control of education was increasing, with the exception of the area of universities' funding where national interests had been established. As a consequence of this advice and his own appraisal of the balance of responsibilities between the Commonwealth and the States, in November 1962 Menzies tabled a statement in Commonwealth Parliament which emphasized the federal role in education as secondary to that of the States:

> . . . But the fact that a matter is important to the nation does not mean that it should become primarily the responsibility of the Federal Government. Under the Australian Constitution some matters are the responsibility of the State Governments. Education is a matter which falls into the States' sphere of responsibility, not because of any lack of importance but because it is believed that State Governments are in a better position to assess local needs and provide for them. The proper role of the Commonwealth in this matter is to co-operate with the States, but not to take over their functions.[28]

At that stage the Martin Committee was halfway through its work.

Although these public statements gave assurances of education being primarily a States' responsibility, the Commonwealth continued to become involved in all aspects of education in the States. For example, in the 1963 election, at the time when the Martin Committee was beginning to draft its Report, Menzies made unprecedented promises of secondary and technical scholarships and secondary school science laboratory grants. Against a background of increasing Commonwealth involvement in the funding of education in the States and demonstrably stronger Commonwealth interest, and yet simultaneously strong declarations that education was a States' responsibility, there was little prospect of the Commonwealth Government adopting the Martin Committee proposal to extend the influence of the AUC.

Another less conspicuous but important reason was that the AUC itself had continually lost ground as the principal source of advice to the government on future Commonwealth involvement in tertiary education. The Prime Minister's Department, for example, was disappointed that the Martin Report had been delayed and that the AUC had experienced difficulties in holding university expenditure in check in its second triennium. From the end of 1963, particularly after Gorton became the responsible minister, the government turned to the Prime Minister's Department for alternative advice. Not only were senior officers within that department disappointed with the slow progress of the Martin Committee, they were concerned as well that, despite the extensions of time given to the Committee to complete the task, preliminary drafts of the Report indicated that it had not come to grips with the task of arguing persuasively for alternative institutional structures:

> . . . from such sightings as we have been able to make of the emerging papers, it seems to us that the Committee is not really dealing with . . . the future *pattern* of tertiary education. We fear that its report may merely recommend more assistance for the system of tertiary education as it is. . . .[29]

The Martin Report was tabled in Commonwealth Parliament in August 1964. By March 1965 the Commonwealth Government had decided which of the recommendations it was prepared to adopt. During the intervening months, Gorton, assisted by his senior advisers in the Department of the Prime Minister and Treasury officials, provided alternative recommendations to the government on the Martin Report. These advisers were unenthusiastic about the suggestions for an Australian Tertiary Education Commission. Gorton too, thought it would be an adverse step:

> We thought this bad advice because we wouldn't have universities coming and saying something, the CAEs coming and saying something. But you would just have one body on top of the lot recommending what you should give to the component parts and I think that's a bad thing. So we didn't do it.[30]

It was to Gorton and his Public Service advisers that the Commonwealth Government entrusted the task of immediate implementation of the decisions made on the Martin Report, with the excpetion of those which applied directly to the universities' sector. A Commonwealth Advisory Committee on Advanced Education was established in 1965 with a secretariat drawn mainly from senior officers of the Prime Minister's Department.

The intense activity at the Commonwealth Government level, within the Prime Minister's Department, by the Martin Committee and the AUC and by the government itself serves to highlight the conspicuous absence of the muted partner in these developments – the Australian States. In the final stages State Governments were not consulted formally by the Martin Committee or the Commonwealth Government and were given copies of the Report only a week or two before it was tabled. In this respect, the Commonwealth Government's treatment of the Martin Report is the most significant example in the 1960s of the pattern of tertiary education being increasingly influenced by national level policy initiatives. It also marked the beginning of tertiary education conceptualized by the national government as a system of diverse institutions, each with its function within the education system and within society as a whole.

In his letter to the State Premiers informing them of Commonwealth Government decisions on the Martin Report, Menzies emphasized that the States had primary responsibility for the development of their own tertiary education institutions and it was up to them to decide whether they wished to create coordinating agencies. Menzies' letter clearly shows that the AUC's task was confined to advising the government on the development of universities.

> . . . You will have seen that the Committee proposed the establishment of a Tertiary Education Commission with responsibilities for advising the Commonwealth over the whole field of tertiary education. You will readily understand, I am sure, that because our decisions are not to enter the field of teacher training but to establish an advisory committee in connection with the proposed new development from technical colleges, we have decided not to adopt this recommendation from the Committee. The Universities Commission will continue as our advisory body on university development.[31]

The Commonwealth Government may have had a further reason for wishing to encourage the view that much of the responsibility for the implementation of the Martin Report was the responsibility of the States. As tertiary alternatives to universities had not been defined distinctly by either the Martin Committee or the government, the Commonwealth may have hoped that, if left to the States, in time, the notion of "tertiary alternatives" would work itself out. This lack of clarity of the purpose of such institutions became the subject of continual difficulties and unresolved debate late into the 1960s.

In relation to the possible changes in the AUC's function as a coordinating agency, the most significant decisions of the Commonwealth Government on the recommendations of the Martin Committee were to provide financial assistance for institutes of colleges in the States and to create a separate advisory committee to be responsible for that development. These two decisions extinguished the possibility of the AUC's advisory capacity being extended: and as a consequence of these developments, the AUC withdrew from the field of advising the government on general tertiary education issues. From 1965 until the end of the decade, the AUC concentrated on universities.

Through the Martin Report, the AUC exercised a powerful influence on the future pattern of tertiary education in Australia. The Commonwealth Government's plan to create parallel sectors of tertiary education, one for universities and one for colleges with separate advisory agencies for each survived until the mid-1970s when the necessity for greater collaboration and cooperation between the two sectors and the growing needs of an expanding technical sector ushered in the Tertiary Education Commission. Until 1965 the AUC occupied a central position in the determination of policy in tertiary education. Due to the inexorable development of that system, from 1967 it became necessary for the AUC to again become centrally involved.

Post-Martin development in the States

In recommending the development of a broad comprehensive system of tertiary education with an emphasis different from but complementary to tertiary education provided by universities, the Martin Report provided a blueprint for the development of a system of tertiary institutions. The recommendations made clear that the upgrading and expansion of institutions apart from the university sector and the creation of new institutions could lead to a redistribution of students among universities, teachers' training colleges and CAEs.

At that time the Commonwealth was not prepared to provide recurrent financial assistance to the States for teachers' colleges but it agreed to assist the States in the financing of other institutions which would provide "advanced education" with a vocational emphasis and these subsequently became known as colleges of advanced education.[32] These were developed primarily from the existing tertiary elements of the technical college system, agricultural and paramedical colleges and colleges of art.

In August 1965 the Commonwealth Advisory Committee on Advanced Education (CACAE or Wark Committee) was established under the Chairmanship of Dr Ian Wark, later Sir Ian Wark, a distinguished member of the executive of CSIRO. Its purpose was to advise the minister in charge of Commonwealth activities in education and research (Senator Gorton) on balanced development and expenditure on advanced education outside the university and teachers' training college systems. Recommendations concerning the scope and purpose of the college sector were made to the Commonwealth Government by the CACAE in June 1966.[33] The Commonwealth Government recognized that while applied research would be conducted by the colleges, teaching rather than research would be their primary field of endeavour. Senator Gorton, in adopting these principles on behalf of the government, acknowledged that there was some uncertainty in the definition of the precise lines of development of the colleges. There followed from 1968 to 1972 a period of intense capital development and rapid growth in CAEs whereby enrolments doubled and facilities constructed at least matched those of universities.

By 1968 the Commonwealth was providing financial assistance throughout the whole range of tertiary institutions for which the Martin Committee proposed support. During this period (1964-68) the Commonwealth provided $40 million to the States for buildings and equipment for technical training. Although the Martin Committee's proposal for substantial financial support for teachers'

training colleges was initially rejected, in 1966 Senator Gorton held discussions with State Ministers for Education and announced a Commonwealth-State agreement under which the Commonwealth would make capital grants to teachers' colleges. Subsequently, £24 million was made available for the period 1967-70 for projects in six States under which teachers' colleges would be built to plans and standards drawn up by the States and approved by the Commonwealth Minister. (This amount was a great deal in excess of the Martin Committee recommendations of £5 million over 2 years.) By 1972 many State teachers' colleges had begun to be removed from the control of government departments and were being re-established as corporate bodies under their own autonomous governing councils.

These events show that from the time the Martin Report was written to the end of the 1960s great changes took place in tertiary education, largely conditioned by Commonwealth attitudes of financial support. Despite this financial support, the pattern of development of tertiary education continued to vary significantly from one Australian State to the next. In these developments, the Commonwealth did not play a dominant role. According to one observer, Professor B. R. Williams, then Vice-Chancellor of Sydney University, the Commonwealth found itself "being dragged along" in CAE development in the States.[34] From 1965 to 1972 each of the States established its own coordinating agency for development of part or all of tertiary education. The type of agency established reflected the style and stage of development of tertiary education in each State.

In Victoria in July 1961 a State advisory council on technical education was established and from this emanated the idea of an institute of colleges. By June 1964 the Victorian State Premier had indicated that work to degree standard would be undertaken in eight Victorian technical colleges grouped under the control of a central committee. In June 1965, cognizant of the Martin Report, the Victorian government established the Victoria Institute of Colleges and empowered it to award degrees.

In New South Wales the Minister for Education and Science appointed a committee in 1965 to advise him on the type of college of advanced education to be established at Bathurst and on the general development of non-university tertiary education. The Committee, under the Chairmanship of Mr H. F. Heath of the New South Wales Public Service Board, comprised a senior representative of each of the State departments concerned with the operation of tertiary education institutions.[35] The Committee recommended the establishment of separate institutes and that departmental control

over their areas of specialization be maintained. In 1969 a New South Wales Board of Advanced Education was established. Two years earlier a New South Wales Universities Board had been created to counsel the minister on matters on which the AUC gave advice to the Commonwealth and more generally to advise the minister on the needs and problems of universities in New South Wales.

In Tasmania a Joint Consultative Committee was formed in 1968 consisting of the institutes of tertiary education in Launceston and Hobart and the University of Tasmania. In 1970, as a consequence of the establishment of institutes of technology in Brisbane, Toowoomba and Rockhampton, the Queensland State Government replaced its technical advisory council with the Queensland Board of Advanced Education.

In Western Australia, the Jackson Committee in 1967 expressed regret over the Commonwealth tripartite approach to the problems of tertiary education and for this and other reasons rejected the notion of an institute of colleges. It recommended instead that an overall tertiary education commission for the State be established to ensure balanced development.[36] This recommendation was accepted by the Western Australian State Government and the Western Australian Tertiary Education Commission was established in 1970.

In South Australia the Simpson Committee (1965) advised that mutual arrangements existing between the University of Adelaide and the South Australian Institute of Technology (SAIT) for course-work at various tertiary levels should be modified to bring advanced education awards under a South Australian Institute of Colleges.[37] With the emergence of new CAEs in the late 1960s the South Australian Government agreed to establish the South Australian Board of Advanced Education in 1972.

All these developments had an influence on the changing coordinating role of the AUC, as the existence of these agencies and the colleges being developed by them, made necessary closer collaboration between the AUC and the Commonwealth Advisory Committee on Advanced Education.

Parallel development of the sectors

Formal consultation between the AUC and the CACAE began in November 1969. It is important to remember that in the late 1960s the belief that there were differences in function between the CAEs and the universities was felt rather than verbally agreed upon. It was not until the early 1970s that differences between the sectors were sufficiently established for official acknowledgement that univers-

ities were founded and maintained by society to preserve, transmit and extend knowledge, to train highly skilled manpower and to allow the critical evaluation of society in Australia and that the primary emphasis of the colleges was to provide vocational educational to meet the known needs of Australian society and to exhibit in its courses the application of knowledge in a wide variety of operations.[38]

At the first meeting between the AUC and the CACAE Basten expressed the view that the most important immediate task was to provide a basis for the ratio of places between colleges and universities. The discussion at this meeting made little progress into the issue of differences between the nature of universities and colleges. However, three important topics were considered: the basis on which capital and recurrent expenditure in each sector should be assessed and by whom; the basis of entry standards; and third, rationalization and the need to avoid duplication. Basten invited Wark to consider draft material relating to these issues which he had written on colleges for the AUC's Fourth Report. Wark replied by letter after the meeting suggesting an investigation of overlap between courses at universities and CAEs, that universities hand over more vocational education to the CAEs, that better opportunities for postgraduate interchange be created and the establishment of more clearly defined standards of admission to colleges.[39]

Basten had a genuine interest in the balanced development of tertiary education which manifested itself in his willingness to support Commonwealth Government policy promoting the expansion of the CAE sector. Although several further meetings were held with the CACAE, Basten was always troubled by what seemed to him to be a lack of collaboration and the meetings left him "unsatisfied".[40] On his part, Wark appears to have been much influenced by the State authorities, appears to have been somewhat antagonistic towards the universities and to have had no immediate wish to establish a close relationship between his own agency and the AUC.[41]

The action taken by Basten shows that from the time of the Martin Report in 1965, the AUC's concept of balanced development of universities was forced of necessity to broaden to include the complementary development of universities and colleges. Recognition of the need for this is shown in the Fourth Report which stated:

> ... The Commission had been guided in its attention to new developments by its statutory duty to promote the "balanced" development of Australian universities, which includes avoiding unnecessary duplication; and by a policy not to introduce into

universities studies which can more appropriately be undertaken in colleges of advanced education.[42]

In the situation where two separate advisory authorities existed and the Department of Education had not developed a coordinating role for the Commonwealth Education portfolio, it was to the minister that the government looked in the first instance for the coordination of the separate activities of the two advisory authorities. In February 1969, Fraser held several discussions on the forthcoming AUC and CACAE Reports and certain other matters of common interest with Sir Henry Basten, Sir Ian Wark, Sir Hugh Ennor and Mr K. N. Jones.[43]

By the close of the decade the parallel development policy was beginning to seem purblind. Despite the Commonwealth Government's aim of keeping the university and CAE sectors separate, it had become increasingly difficult to distinguish between some of the functions of universities and colleges. It had become obvious too that unchecked proliferation of courses in each sector was leading to duplication of effort and an inefficient allocation of scarce public resources. The development of tertiary education was uneven due to independent decisions made by State Governments and the inability of the Commonwealth Government to spell out the precise function of the CAEs and their relationship with the universities. There was a conspicuous lack of effective consultation between the AUC and the CACAE. University development under the AUC was going one way and many of the rest of the tertiary institutions were being built up into a self-sufficient rival system with its interests at the national level being promoted by the CACAE.

A parallel situation was occurring in Britain where government policies on the development of colleges of education, institutes of further education and technical colleges at regional, area and local level were being pursued separately from policies on universities and colleges of advanced technology. It was a situation of some frustration for Robbins who had strongly advised against this development in his Report.[44]

During the last two years of the 1960s there was mounting public disquiet in Australia with the concept of separate sectors. For example, in June 1969, two months prior to the release of the AUC's Fourth Report, two national radio broadcasts by academics strongly questioned the future of a two sector concept. In the first of these broadcasts, Professor (now Sir) Zelman Cowen questioned whether Australia had much hope of succeeding in this venture when other countries had failed. Cowen felt that if a binary system were to continue to develop and yet the colleges give degrees, it would not

be easy to see "where we were going and why". Cowen felt that the new institutions were mimicking universities and that the "binary system" would end up producing a "multiplication of university institutions".[45] Dr Des Crowley, in the second broadcast not long afterwards, speculated on the themes of the forthcoming Fourth Report of the AUC and questioned whether the traditionally understood functions of this statutory authority had now been replaced:

> This year . . . will see whether the Committee still intends to favour the CAE's and curb the universities. If the grants follow a similar pattern to that of 1966 the universities will know the Commonwealth is set in its purpose and that they face a difficult future . . .
>
> The danger is we may end up with second-rate universities and CAEs that are third-rate universities.[46]

Later that year a national conference on planning the future directions on higher education was held at the University of New England.[47] Ways to establish effective working relationships between universities and CAEs in a tertiary system dominated the conference. For example, Basten delivered an address on behalf of the Commonwealth Minister for Education, one of the major points of which was that CAEs would fail if they tried to train students for research. In another paper, Professor Cowan argued there had been a shift in the definition of the role of the colleges since they were first propounded by Martin, and in a further paper, Professor Partridge considered the possibility of diverting dental science, architecture, engineering and law from universities to other tertiary institutions. The retiring Chairman of the CACAE, Dr Wark, presented a paper stating that CAEs had an important part to play in shorter term research, closely related to industrial needs and that university development was constricting the appropriate development of CAEs. Wark felt that it was up to the universities not to encroach into the fields in which the colleges were required to operate.

A significant statement on the vexed issue of the development of colleges as a separate sector was made at the end of the decade by Sir John Crawford in the 1969 Robert Garran Oration.[48] Crawford called for a more frank and complete dialogue between the universities and the AUC, criticized the uncertainty of government policy on CAEs and said that there was a strong case for a single Federal-State commission of advice on policy and financial requirements in tertiary education. He claimed there were doubts as to whether the AUC was a bridge between universities and government as contemplated by the Murray Committee or an instrument for inter-

governmental negotiations in which university views might be inadequately heard:

> . . . There is a need for a more frank and complete dialogue between the universities, individually and collectively and the Commission . . .
>
> It is a matter of major concern to all universities, who, with the Commission itself, may well be the victims of an unsatisfactory state of affairs in Federal-State financial relations.[49]

Conclusion

Through the Martin Committee, the AUC exercised a powerful influence over the future pattern of tertiary education in Australia. As this chapter has demonstrated, through committees of inquiry, such as the Martin Committee at Commonwealth level and the Price, Ramsay, Simpson and Jackson Committees at State level, governments became more dominant in planning and financing universities (and tertiary education) in Australia in the 1960s.

The Martin Report provided the Commonwealth Government with a blueprint for the development of diverse institutions each with its function in a tertiary education system. The Martin Committee was the means whereby the Commonwealth Government was able to focus on new problems in tertiary education in Australia. The Committee had both an analytic and a catalytic role whereby its members became testers of ideas and examiners of the validity of proposals for development in tertiary education and its report precipitated action by both Commonwealth and State levels of government.

The means whereby the Martin Report was implemented, and the constrained role of the AUC in that process, reflect the tension between Commonwealth needs and "States' rights". The Commonwealth Government framed its decisions on the Martin Report in the light of traditionally accepted constitutional responsibilities for education in Australia. The Commonwealth's concern was national but the implementation of the proposals was, to a large degree, State controlled.

A main reason for the Commonwealth Government's rejection of the proposal for an Australian tertiary education commission was its reluctance to be seen as encroaching in an area of State responsibility. The conspicuous role of the Department of the Prime Minister in advising the Commonwealth on this and other recommendations of the Martin Committee demonstrate the influence of the need for

administrative coordination over the future scope of the AUC. By the end of the 1960s the parallel development of the sectors was beginning to prove unworkable and mounting unease was expressed with it particularly by universities. By that time too, the AUC had, by force of circumstance, begun to accommodate a new aspect of its advisory role which was concerned not only with coordinating the development of universities but also had regard to the development of a system of tertiary education.

Notes

1. R. A. Chapman, *The Role of Commissions in Policy Making* (London: George Allen & Unwin, 1973), p. 186.
2. Sir Geoffrey Vickers, *The Art of Judgement* (London: Chapman and Hall, 1965), p. 50.
3. H. Heclo, *Modern Social Politics* (New Haven: Yale, 1974), p. 313.
4. Gerald Rhodes, *Committees of Inquiry* (London: George Allen & Unwin, 1975), p. 210.
5. *Ibid.*, p. 210.
6. *Higher Education.* Report of the Committee appointed by the Prime Minister under the Chairmanship of Lord Robbins (London: HMSO, Cmnd. 2154).
7. CTEC. *AUC 60/96, Commonwealth Funds for Universities in the 1960/61 Financial Year*, letter from Menzies to Martin, p. 2 para. 4.
8. CTEC. *AUC 60/119*, letter from Prime Minister to Chairman, 15 November, 1960.
9. Archives. *17/2/1, Committee on the Future Development of Tertiary Education in Australia: Establishment, terms of reference, appointment of members*, letter of Martin to Menzies, 10 January 1961.
10. Archives. *17/2/1*, meeting, 13 April 1961.
11. Archives. *17/2/1*, cabinet minute (copy number 30), 18 April 1961, Decision number 1299.
12. Archives. *61/3020, Review of the Pattern of Tertiary Education and of Administrative Arrangements within Universities.*
13. *Report of the Committee on State Education in Victoria* (Ramsay Report), (Melbourne: Government Printer, 1960).
14. *First Report of the Committee Appointed by the Minister for Education to Enquire into Various Aspects of Higher Education in New South Wales* (Price Report), (Sydney: Government Printer, 1961).
15. Archives. *17/3/1 (Part I), Committee on Tertiary Education – General Background*, Martin to a member of his committee, 29 September 1961.
16. Gerald Rhodes, *Committees of Inquiry*, p. 210.
17. CTEC. *CF/469*, meeting 5, 20 June, Appendix II – Professor Huxley, Vice-Chancellor, ANU.
18. CTEC. *CF/240*, meeting 6, 18 July 1962.
19. CTEC. *CF/344*. Notes from Peter Karmel for Committee discussion of the economic and financial aspects, p. 62.
20. CTEC. *CF/440*, "Peter Karmel – Pattern of Tertiary Education in the 1960s".

21. CTEC. *CF/56*, meeting 2, 1 December 1961, p. 6.
22. The Martin Committee had two-thirds of its members either born in or living in Victoria and the Report has been criticized as not looking beyond conditions suited to that State.
23. CTEC. *CF/508*, meeting 12, 4 October 1963.
24. CTEC. *CF/544*, meeting 16, 15 March 1964, Appendix V, "Committee Discussion of Technical and Teacher Education".
25. CTEC. *CF/595*, meeting 25, 21 May 1964.
26. *Tertiary Education in Australia*, vol. 1, p. 196.
27. AUC. *CF/544, op. cit., Appendix 1. Discussion by the Committee of the RCTFE*, p. 9.
28. Australia. *CPD.* HOR 37, *The Commonwealth and Education – Statement by the Prime Minister*, tabled in the House of Representatives and the Senate, 6 November 1962, p. 2049.
29. CTEC. *63/190*, minute to Prime Minister, 20 December 1963.
30. Transcript of author's interview with Sir John Gorton.
31. CTEC. *65/24*, Prime Minister's letters to Chairman, AUC and Premiers, pp. 1, 3.
32. Australia. *CPD.* HOR 45 (24 March 1965): 268-73.
33. *Colleges of Advanced Education 1967-1969. First Report of the Commonwealth Advisory Committee on Advanced Education* (Canberra: Government Printer, 1966).
34. Transcript of author's interview with Professor B. R. Williams.
35. *Report of the Committee appointed by the Minister of Education and Science to Investigate the Proposal to Establish a College of Advanced Education at Bathurst* (Sydney: Government Printer, 1967).
36. *Tertiary Education in Western Australia: Report of the Committee* (Jackson Report), (Perth: University of Western Australia Press, 1966).
37. *Report of Advisory Committee on the Proposed Formation of a South Australian Institute of Colleges and Other Matters* (Simpson Report), (Adelaide: South Australian Government Printer, 1966).
38. See K. N. Jones *et al., Report of a Panel to Advise on Arrangements for Amalgamating the Universities Commission and the Commission on Advanced Education* (Canberra: AGPS, 1975).
39. Archives. *7/28/1, Commonwealth Advisory Committee on Advanced Education, Relations with other organizations.* Notes for discussion with Dr Wark on 25 November, 1968, Basten, pp. 1-3.
40. Transcript of author's interview with Sir Henry Basten.
41. Transcript of author's interview with Professor Karmel.
42. Australian Universities Commission. *Fourth Report*, p. 35.
43. CTEC. *AUC 68/356, Consultation with the ACAE.* Wark to Fraser, 16 December 1968.
44. Lord Robbins, *The University in the Modern World* (London: Macmillan, 1966), p. 156.
45. *Australian Broadcasting Commission.* "Notes on the News", Professor Zelman Cowen, broadcast 24 June 1969.
46. *Australian Broadcasting Commission.* "Notes on the News", Dr Des Crowley, broadcast 30 June 1969.
47. These papers are contained in *Conference on Planning in Higher Education*, ed. R. McCaig (Armidale: The University of New England, 1969).

48. Sir John Crawford, "The Universities and Government" (*1969 Sir Robert Garran Oration to the Royal Institute of Public Administration.* Address given to the Conference of the Royal Institute of Public Administration, Canberra November 1969, p. 5).
49. Sir John Crawford, *ibid.*

PART IV

Conclusion

11
Beyond the buffer

This chapter serves three purposes. First, to summarize the central propositions as expressed in Part I and material put forward in Parts II and III to support these propositions. Second, to suggest directions for future research on the AUC. Third, to make an appraisal of the major achievements of the AUC.

Findings

This case study of the role of a tertiary education commission in policy-making in the Australian context looked at changes in the coordinating activities of the Australian Universities Commission from 1959 to 1970. These changes were mainly the result of the growing size, complexity and cost of university development, the poor management by universities of their own affairs and the increasing involvement of the Commonwealth Government in education, an area in which it had no clear and generally recognized constitutional responsibility. The AUC worked at the ever-changing interface of government and universities and attempted to ease the tensions of university autonomy, States' rights and federal financial support.

The work resembles other studies of public policy-making in three ways:

1. It is a structural/administrative study examining the effects of the statutory advisory nature of the AUC on its role;
2. It is a case study which examines the effects of differing plans of government and universities on the AUC's coordinating activities;
3. In its analysis it incorporates the effect of changes in general economic and social conditions on altering the role of the AUC.

The specific approach adopted has been to illustrate the reality of coordinating processes in university development in the 1960s through attempting to explain "what happened" rather than either using "what happened" as evidence to support a single overarching

theory or trying to apply theories which would claim to have made coordinating processes work better. In Parts II and III the focus was on the process of coordination and on its content in the form of specific policy decisions made and implemented.

The first assertion of this work is that such elements as uncertainty and muddle are not deviations from some more ordered and rational state but are a conspicuous characteristic of the process of coordination. Evidence was brought forward to show that complexity, puzzling, uncertainty and political change need to be taken into account in explanations of the evolving role of the AUC in university development.

For example, in Chapter 8, Research Funding in Universities, it was shown that the process of coordination of a national policy on research was both disordered and disjointed. At the time of the Second Report (1962) the AUC's advice on financial assistance for research was turned to the Commonwealth Government's best advantage in that some of the proposed allocation was used to establish a national agency for funding research projects (the Australian Research Grants Commission – ARGC). As the States were dissatisfied with this development, Gorton proposed that they supplement basic research grants while the Commonwealth provide special research grants through the ARGC. Later, convinced of the need for the Commonwealth to provide both, the Chairmen of the AUC and the ARGC jointly persuaded their minister (Fraser) of the need for the Commonwealth Government to alter its policy. The consequence was the restoration of the special research grant in the AUC's Fourth Report.

Another example was that of Chapter 9, Towards National Resolution of Academic Salaries, where evidence was provided to show how the AUC became inextricably involved in the process of coordination of academic salaries. Although a permanent institutional agency for the resolution of academic salaries did not emerge until the establishment of the Academic Salaries Tribunal in 1974, its form was moulded in the experiences of the 1960s. For much of that time no agency or individual had a clear view of what was needed in order to resolve disputes about academic salaries regularly and equitably, and resolution of the academic salaries issue became a tangled and *ad hoc* process. Two AUC Chairmen, Martin and Basten, were convinced that the AUC ought not to be involved and the third, Hewitt, maintained that the AUC needed to be involved for the purposes of review.

The second main assertion is that the process of coordination took place through the interacting adjustment of political, bureaucratic, academic and market forces. The focus of this work has

been the changing role of the AUC in that process. It is claimed that four tensions have been conspicuous in this coordinating process – national needs v. "States' rights", institutional autonomy v. public accountability, statutory independence v. administrative coordination and the advisory/regulatory dilemma. As the interrelation of these four tensions has been the major element in changing the coordinating role of the AUC, evidence of the influence of each is now appraised.

Tension 1: National needs v. "States' rights"

Two questions have been raised concerning Tension 1. In a climate where the growing fiscal dominance of the Commonwealth was manifest and the Commonwealth assumed traditionally accepted State policy-making functions, how did the AUC continue to reconcile national needs and "States' rights" in university development? Second, how did the States view the AUC? Did they see it as similar to a body such as the Commonwealth Grants Commission – independent, aloof from partisan politics, competent, consistent, fair in its dealings with them and sympathetic to their problems?

Evidence in Chapters 4 to 7 indicates that although the Commonwealth's influence in university development undoubtedly increased, there was some resistance from the States.

Although in specific instances AUC Commissioners expressed discontent, they readily accepted that the AUC's financial recommendations for universities had to be considered by governments in the light of wider considerations. In the words of one Commissioner:

> I accepted that judgements and recommendations in good faith from the Commission that we thought reasonable and practical had to have other tests applied to them . . . how they fitted into the national picture. A view had to be taken on a broad scale by governments, not just the Federal Government but governments as a whole as to what they could justify and bring forward.[1]

Notwithstanding these intentions, as the decade progressed the demarcation between national needs and "States' rights" in relation to university development became less distinct and the AUC's task of intergovernmental negotiation became more complicated. Yet it had to be coped with. The phrase "cooperative federalism" symbolized the necessity for greater interdependence between Commonwealth and State levels of government. It seemed that in Australia, as elsewhere in the modern Western world, governments had to be prepared to be increasingly involved in very complex systems of cooperation in university development. In Australia, as

in other federal countries, an added element was that the specific powers and responsibilities of each level of government had become more difficult to define.

Evidence indicates that unlike the Commonwealth Grants Commission, the AUC did not operate as an intergovernmental agency in preserving a balance between State and Commonwealth positions in university development. It was appointed by and reported to the Commonwealth Government and was perceived by the States to be a Commonwealth agency. With the growth in Commonwealth Government participation through its capacity to provide greater matching funds, the States' influence had to make way and the AUC became a more powerful coordinating agency.

Tension 2: University autonomy v. public accountability

In relation to this tension three questions have been posed. First, the Murray Report expressed two principles to safeguard university autonomy. These were:

1. Each university should have the right to subdivide its financial allocation as it saw fit;
2. Any funding earmarked for special development purposes should be merged into general funding as early as possible.[2]

Did the AUC uphold or undermine these principles? Second, how did the discernible shift in the views held by academics on the one hand and government on the other as to what comprised an acceptable balance between institutional autonomy and public accountability change the AUC's coordinating role?

An important outcome of the establishment of the AUC was the movement of the centre of gravity in the governance of university education from individual institutional autonomy to autonomy within a system. At first this shift was readily accepted by both academics and government. As the decade progressed, Commonwealth Government approval of university expenditure required conformity to increasingly detailed limits. Throughout this period, in accordance with the two principles to safeguard university autonomy set down in the Murray Report, each university continued to subdivide its financial allocation as it saw fit and the AUC kept any earmarking of funds to a minimum. However, there were many university people who felt that by the time of the Fourth Report (1969) the AUC appeared to be in a less than independent position and that institutional autonomy was being threatened.

Yet the great value of the AUC lay in its independence of judgement. Throughout the decade, the AUC was never asked by the Commonwealth Government to implement policies or programmes

in relation to universities on which its advice had not been sought. The AUC was required under its enabling Act to consult universities (and State Governments) in relation to its recommendations for financial assistance to State universities. On balance the consultations continued to be successful, although on occasions both the States and the universities expressed discontent. The AUC, placed between government and the universities, provided both a means for government to relate to the affairs of universities and a means for the universities to maintain their institutional independence. The AUC became the guardian of university autonomy. Despite the necessity for the AUC to be sensitive to the States' maximum financial limits, especially when preparing the Fourth Report, its statutory authority status safeguarded the making of recommendations on financial and educational grounds rather than under any kind of political constraint.

Tension 3: Statutory independence v. administrative coordination

Did the AUC remain master of its own affairs or was it effectively controlled by the Departments of the Prime Minister and Treasury? How important was the personal influence of successive Ministers for Education and AUC Chairmen in changing the coordinating role of the AUC? Did the ministers intervene in AUC affairs to a degree which prevented the provision of worthwhile independent advice or did they preserve the integrity of the AUC's independent statutory role?

As a statutory authority, the AUC possessed both the strengths and the weaknesses of an independent public body. Two demonstrable weaknesses supported by the evidence of this work were problems of defining its relationship with the Commonwealth Cabinet and the Commonwealth Parliament and a tendency for some of its functions to be duplicated within the Commonwealth Public Service. A source of both weakness and strength for the AUC was that in the 1960s the Commonwealth Government was unable to find a way of fitting the recommendations of the AUC into the normal budgetary process of priority determinations and financial appropriations. This problem arose because the Commission made its own assessment of needs independently without explicit regard to budgetary constraints. Such a situation led to unstable relations with the Commonwealth Treasury.

The accountability of the Commonwealth minister responsible for education matters might be considered to have been reduced by the extent to which the AUC can be seen as influencing the nature of Commonwealth Government decisions. In one respect, this view

has validity in that the AUC can be identified as the authority or source of advice for particular governmental or ministerial decisions. For example, the first two Reports of the AUC were adopted without question by the Commonwealth Government. This, and the statutory requirement for tabling the triennial report in the Commonwealth Parliament, may have affected the minister's accountability in some measure. However, the AUC had no direct responsibility to Parliament and it was clear that ultimate responsibility rested with the minister and the government, although neither the minister nor the AUC was responsible for the conduct of individual university affairs.

Throughout the 1960s, the AUC's relationship with its minister was founded on a combination of established practice and close understanding between the minister and the chairman. There was, on the one hand, an implicit appreciation and respect on the part of ministers of the independent position of universities and the special role that the Commission had in relation to them, and on the other hand, an awareness on the part of each of the Chairmen of the AUC of his responsibility to government. Apart from the years 1964 and 1965 when Gorton as the new minister adopted a firm approach to the AUC's until then unquestioned exercise of regulatory functions, the relationship between the AUC and its minister continued to be one of strong support rather than overt control.

This work has provided new evidence of the significant contribution of Commonwealth public servants to the coordination of tertiary education, particularly the contribution made by senior officers within the Department of the Prime Minister from 1959 to 1966. In Chapter 5, p. 78 it was demonstrated that there was a noticeable decline in their favourable attitude towards the AUC as a result of large and unanticipated additions to the recurrent grants sought by universities in the second triennium (1961-63). For a short time after the establishment of the Department of Education and Science in 1966, as a result of the efforts of Hewitt supported by Gorton, the AUC maintained a distinctive and independent relationship with its minister. Following Hewitt's retirement in early 1968, the formal administrative changes continued but the relationships among the AUC, the minister and the department were more collaborative.

Tension 4: The advisory/regulatory dilemma

A central factor of the AUC's changing role was the increasing necessity to adopt more extensive administrative functions. In the

circumstances whereby the AUC's executive and regulatory responsibilities continued to increase, was it possible to maintain its independence as an advisory agency? Did the AUC become less a "buffer" and more a governing agency?

An important consequence of its executive activities was that the AUC increasingly found itself creating new policy. For example, by the time of the Third Report (1966) no university could embark on a major new project without AUC approval. This evolution in function caused a shrinking of the AUC's somewhat mythical image as an independent "buffer" agency representing university interests to the government.

The continual development of the Australian federal system and a tertiary education system within it contained many new elements to which the AUC had to adapt. In addition to unprecedented growth, for example, there was an expansion in the range and character of fields of study at tertiary level both in response to technological change and a widening of public sector responsibility in areas such as health and welfare. In adapting to these changes, the AUC moved in function beyond an advisory agency with a "buffer" image, to become the type of planning body which Perkins has called "a way station"[3] between universities and government. Both its advisory and regulatory functions became of equal importance. It became necessary for the AUC to manage both and to maintain its independence from universities and governments. As Perkins observed:

> Systems of authority that involve compromise are by definition not clear or explicit, nor can they be, but the two great imperatives of academic freedom and institutional autonomy, on the one hand, and public responsibility with respect to public funds on the other were exercising their irresistable influence to produce arrangements that [lay] between complete institutional autonomy and absolute public authority.[4]

Directions for future research

This work does not claim to present a complete picture of the changing role of the AUC as a coordinating agency in university development during the 1960s. A rich layer of research themes remain, some of which are described below.

Firstly, the documents and records provide evidence to show the AUC's influence on the location and nature of new tertiary institutions such as the universities of Monash, La Trobe, Flinders and James Cook, and CAEs such as those established at Wagga, Bathurst

and Bendigo, and on important developments which took place at some of the older universities.

A second area available for research would be through examining the records on the relationship of the AUC with the Australian National University (ANU). Of particular interest could be the limited role of the AUC in the amalgamation of ANU and Canberra University College in 1960 and the continuation of the unique relationship of the ANU with the Commonwealth Government and the Department of Education and Science throughout the 1960s.

A third productive area could be a deeper investigation of the relationships between the AUC and each State Government. Files and documents located at the Commonwealth Tertiary Education Commission and the Australian Archives have much information on this matter. Of special interest could be the influence of the Victorian government on the development of Monash University, the nearly successful attempt of the Riverine University League in New South Wales to establish a university and the role played by the Western Australian State Government in securing the foundation of a Veterinary School at Murdoch University.

Finally, it is possible to develop further case studies in coordination. Some examples are the contribution of the Committee on the Teaching Costs of Medical Hospitals to the development of a national approach to medical education in the 1960s, the largely unsuccessful attempts of the AUC to develop university libraries through earmarked grants and the role of the AUC in the national development of specific disciplines such as forestry or veterinary science.

A similar study to this work could be made of the AUC as a coordinating agency during the 1970s and the pressures it faced.

For any researcher, access to the official records would need to be sought through obtaining the approval of the Minister of Education and the Minister in Charge of Commonwealth Archives. Once this approval is obtained the Staff at Archives can assist in locating material. As a vast quantity of files and documents are held at Archives, any researcher needs to enter examination of them with a clearly defined purpose. The Commonwealth Tertiary Education Commission has maintained the minutes, documents and submissions to the AUC and its committees in excellent and readily accessible order.

The major achievements of the AUC

The existence of the AUC as a statutory advisory authority and its activities in the 1960s have had several important influences on the

development of education in Australia. First, through the AUC, the Commonwealth Government exercised a financial control which allowed it to become the dominant influence in the growth of universities. Second, particularly through the implementation of many of the recommendations of the Martin Report, the AUC has played an important part in channelling the direction of tertiary education. Third, in the evolution of a tertiary system of education, the AUC has acted as a catalyst increasing centralized control. Fourth, throughout the 1960s, the AUC has successfully coordinated the national level planning of universities. And fifth, through its effectiveness both as a buffer and as a vehicle for implementing national level policies for universities, the AUC has served as a model for the other federal education commissions which followed in its wake. Each of these influences is now considered.

Shaping the growth of universities

From 1958 until the mid-1970s certain value systems of Australian universities were shaped by the Murray Report, the AUC's First and Second Reports and the Martin Report.[5] Although the decisions of each State concerning the future of its university system continued to be of great importance, the AUC became the single most important influence through the generation of general rules and common principles concerning bids by universities for financial assistance, by regulating new developments and by the control of growth patterns.

As a national "system" of universities began to evolve, particularly after the Second Report (1963), the AUC acquired direct responsibility for approving certain university capital expenditure. For example, under States Grants legislation the AUC was able to exercise financial controls over university building programmes. In this way, the AUC assumed a regulatory role, and as the decade progressed, new building projects were approved within limits of a prescribed code. These new developments were judged by the AUC according to their relationship to a pattern of national needs. Although this approach caused some Vice-Chancellors to declare that the AUC was using financial powers to undermine university autonomy, the AUC remained steadfast in its opposition to the use of conditional grants in a way that would erode the responsibility of universities to manage their own affairs.

Channelling the direction of tertiary education

Until 1965, particularly through the workings of the Martin Com-

mittee, the AUC occupied a central place in tertiary education policy-making. Although the Martin Report did not include a systematic discussion of "balanced development" it made some influential observations. For example, the Martin Report claimed that tertiary education should be available for all who had the desire and capacity to undertake it and that a variety of education was needed by young people with a varying range of abilities and a broad array of educational objectives. In order to promote a wide diversity of tertiary education, the Martin Committee proposed institutes of colleges and boards of teacher education in each State and, to coordinate the development of tertiary education, an Australian tertiary education commission to replace the AUC. If the Commonwealth Government had adopted this latter recommendation it would have given the AUC an even wider role in policy-making in tertiary education.

The definition of the difference between the universities and CAEs which emerged from the Martin Report and the Commonwealth Government's recommendations on it were indistinct. In pursuing "balanced development" from 1966 to 1970 the AUC needed to expand its role as adviser to the minister and the Commonwealth Government on university matters generally. In the creation of new universities the AUC became increasingly concerned with problems of coordination between the two sectors. From 1968 onwards, some attempts were made, particularly by the AUC, at cooperative planning between itself and the Commonwealth Advisory Committee on Advanced Education but at the time of the Fourth Report (August 1969) there was much to show that these attempts had fallen short and that more adaptive administrative machinery was needed.

Increasing central control

With the establishment of the AUC, Menzies had introduced an organizational mechanism that became the standard method for extending Commonwealth involvement in education, in spite of the objections of the States that this was an intrusion into their constitutional responsibility. Menzies' views on the functions of the AUC and of the ways its reports were to be handled has been demonstrated in descriptions of his cabinet minute on the First Report (see Chapter 4).

To the extent that neither the Murray nor the Martin Committee considered the impact of matching requirements on the States, the reports of both committees were unrepresentative of State Governments. The nature of consultation between the States and the AUC changed considerably between 1959 and 1969. For the first two

Reports, the AUC carefully consulted the States. During that time the AUC gradually, and almost by default, adopted a replacement role in respect of assessing the financial needs of universities, particularly as senior public servants in State Treasuries and Departments of Education found their attention increasingly directed to school and technical levels of education. In July 1966 the States insisted that other pressing priorities could not be sacrificed to the extent demanded to match the financial recommendations of the Third Report. As a consequence, adjustments were made by the Commonwealth Government to meet the States' demands and the prestige of the AUC suffered a setback. In preparation for the Fourth Report the AUC scrupulously consulted the States, but by then the position of the Commonwealth was greatly strengthened and some university supporters were advocating that the Commonwealth provide the total funding of universities.

As an extra-constitutional agency for Commonwealth-State cooperation, the AUC was used by the Commonwealth as an indirect means to secure a national purpose in university development, in spite of federal limitations and barriers. The capacity of the AUC to convince the State Governments to find their share of the money played a strong part in determining the future of Australian universities.

Coordinating national planning of the universities' sector

The responsibilities of the AUC widened significantly from 1959 to 1970. There were ten universities in 1960 and fifteen in 1970, 53,633 undergraduates and postgraduate students in 1960 and 116,798 in 1970, over twice the 1960 figure. General recurrent grants and building grants were $128.2 million in the triennium 1958-60 and $494.6 million in the triennium 1967-69, an almost fourfold increase.[6]

In its earlier years, the AUC was locked into the need to overcome some fairly specific shortcomings in universities' needs, and to make possible a small range of specified new developments set in motion by the Murray Report and continued in the First and Second Reports. By 1965, when these urgent problems had been brought under control, the central concern should have been seen as determining the growth of the system as a whole, particularly through calculating different levels of costs in various subject areas and relating recurrent grants to the number of students and their distribution between subject groups.[7] Initially the AUC did not see the need for this approach. Although in 1965 and 1966 it started to examine costs in different faculties, little progress was made until

1971 when the new Chairman, Professor Karmel, introduced more economically efficient and effective methods in calculating recurrent and capital grants.

Although Gorton exhibited a willingness to ensure that the AUC held universities more accountable for expenditure of Commonwealth funds, little direct pressure for guidance and control in university development came from the government or the parliament. During the first three triennia (1960-1969) the rate of change in the size, number and complexity of functions of universities was greatly accelerated. It was to these changes that the AUC responded through considerable extension of its regulatory function.

The initial experiences of the AUC as a coordinating agency appear to differ from those associated with coordinating agencies for higher education as they existed at the same time in the USA. Although rational development of postsecondary education became a chief responsibility of many coordinating agencies in the United States by the end of the 1960s, Glenny, in 1959, claimed that in that country governments interpreted their defence of the public interest in higher education to mean protection of the public purse and hence the original motivating force behind the creation of a coordinating agency was often purely financial:

> The impetus for the establishment of agencies to coordinate state-supported colleges and universities has in the main come from the wishes of the legislatures to economize, increase efficiency and limit programs, or from the short-sighted, if not selfish, aspirations and concerns of individual institutions. The more positive purposes of promoting a better and more vigorous system of higher education has usually been overlooked.[8]

The AUC had a broader charter as it safeguarded the allocation of public funds, yet it was a means of promoting the "balanced development" of universities. A distinct change in the evolution of the AUC's role as a coordinating agency came in the period 1964-1966 when the Commonwealth Government, through Gorton, realized that it could not encourage the development of universities if it only attempted through the advice of the AUC to distribute money to them in sufficient and equitable sums.

The AUC became involved more and more in the coordination of universities' planned expenditures. At the end of the decade, by virtue of the Commonwealth's financial power through the States' Grants Acts, the AUC was in effective control of the introduction of new academic programmes, faculties and schools as well as new capital expenditure.

Throughout the 1960s the AUC secretariat lacked sufficient pro-

fessional staff and was perpetually short of manpower. When it was all but too late, the secretariat was strengthened, particularly as a result of an initiative of Hewitt whereby the establishing Act was amended (Act No. 129 of 1968) and the AUC gained greater statutory powers. By the end of the 1960s the secretariat was beginning to deal directly with the Commonwealth Treasury on financial issues related to its functions, and had begun to bear full "departmental" responsibility for such matters as the preparation of its own expenditure estimates, the preparation of cabinet submissions, instruction to Parliamentary Counsel on legislation and advice to the minister during the passage of legislation through Parliament. It also began to collect wide ranging information and statistics on universities in a more systematic way. The advisory role of the AUC as a commission continued, the executive and regulatory role of its secretariat was extended, particularly its support for the minister through preparing answers for ministerial correspondence and parliamentary questions.

Providing a model

Because of the existence of the AUC as a provider of advice to the Commonwealth on behalf of universities, by the end of the 1960s the Australian people had become accustomed to the idea of the Commonwealth coming to the support of existing tertiary educational institutions.

The AUC provided a model for future Commonwealth advisory bodies in education not only as an effective instrument safeguarding Commonwealth financial interests in university development but also in the judicious choice of commissioners to serve on it. Commonwealth Government policy in making appointments to the Commission in effect established a coherent body, well balanced in its range of expertise and in its interests, independent and impartial but sympathetic to universities and their problems.

The AUC had no formal linkages with Australian Government departments. From late 1966 to early 1968 the AUC and the Department of Education and Science worked independently, but after that time a working relationship was established and both instrumentalities cooperated on matters of mutual interest. The AUC's maintenance of its independence throughout the 1960s was of central importance to the fulfilment of its task and was emulated by its successors.

An outstanding feature of the AUC's relations with universities was that despite the strong friction which did exist from time to time there was not lasting major tensions. This was due to the pro-

vision for consultation at all levels and above all to the understanding of the purposes of the universities possessed by the Chairmen of the AUC, by the commissioners and for the most part by the ministers directly involved. During the twelve months that Sir Lenox Hewitt was Chairman (1967-1968) there was evidence of growing friction between universities and government, particularly as it was believed that Hewitt intended a more rigorous accounting from the universities as to how they were allocating recurrent funds. However, Hewitt's tenure of office as Chairman was too short to allow assessment of what long term effect his views may have had on the AUC's role as a coordinating agency.

Since the mid-1960s politicians had been impressed with the AUC as an objective advisory body which, after looking into problems of universities, examined them and reported what it considered the best solutions in a public document. Many politicians desired and lent full support to the extension of the concept of a commission into other sectors of education. The remarks of Mr Kim Beazley, Minister for Education in the Labor Government of 1972-75, are an example of these sentiments and stand as testimony to the repute in which the AUC was held:

> I want to say that . . . we agreed with the previous Government's establishment of the Universities Commission as an objective, advisory body which would look into the problems of universities, examine them and report on them in a public document that would become advice to the Government, and if the Government rejected that advice the public, in particular, could compare the reasons advanced by the Universities Commission with the Government's reasons. In fact, we were so impressed by that procedure that we believed in its extension to other fields as, for instance, with respect to the Schools Commission.[9]

Notes

1. Transcript of author's interview with Sir James Vernon.
2. *Report of the Committee on Australian Universities*, paras. 1.81, 3.20.
3. James Perkins, *Higher Education: From Autonomy to Systems* (New York: International Council for Educational Development, 1972), p. 281.
4. *Ibid.*
5. In October 1976 the Commonwealth Government ushered in a new era with the establishment of the Committee of Inquiry into Education and Training (the Williams Committee) which reported in February 1979.
6. Australian Universities Commission, *Sixth Report*, (Canberra: AGPS, May 1975), pp. 212, 260.
7. This is a view similar to one expressed by B. R. Williams in "The Univers-

ities Sector", *The Commonwealth Government and Education 1964-76: Political Initiatives and Development*, ed. I. K. F. Birch and D. Smart.

8. L. A. Glenny, *Autonomy of Public Colleges*, pp. 22-23.
9. Australia. *CPD*, HOR, 90 (1 October 1974): 1995.

Appendix I

List of Interviews in Chronological Order

Dexter, D., Secretary, AUC 1960-1967	14 November 1978
Jones, K. N., Permanent Head, Commonwealth Department of Education	21 November 1978 29 November 1978
Gorton, Sir John, Minister for Education and Science 1966-1968	27 November 1978 2 May 1979
Kaye, J., Secretary, AUC 1967-1973	26 March 1979
Hambly, F. S., Secretary, Australian Vice-Chancellors' Committee	3 April 1979
Auchmuty, Professor J. J., Vice-Chancellor, the University of Newcastle, 1965-1974	5 April 1979
Basten, Sir Henry, Chairman AUC, 1968-1971	11 April 1979
Mathews, Professor Russell, Professor of Accounting and Public Finance, ANU, and member of Commonwealth Grants Commission	17 April 1979
Williams, Professor B. R., Vice-Chancellor, University of Sydney (1967-1981).	24 April 1979
Vernon, Sir James, member of the AUC, 1959-1971	27 April 1979
Karmel, Professor Peter, Chairman, Tertiary Education Commission	30 April 1979
Hewitt, Sir Lenox, Chairman AUC, 1967-1968	2 May 1979
Bayliss, Professor N. S., member AUC 1959-1970	11 May 1979
Coates, Sir Ernest, Permanent Head, Victorian Treasury 1959-1977, member AUC 1969-1977	12 May 1979
Derham, Sir David, Vice-Chancellor, University of Melbourne and member AUC 1965-1968	12 May 1979
Moore, L., Commonwealth Parliamentary Librarian, 1970–1978, and original interim Secretary of the AUC	21 May 1979

Appendix II

Terms of Reference and Membership of the Committee of Inquiry into the Future of Australian Universities (The Murray Committee, 1958)

Terms of reference

(As quoted in Appendix A to the Murray Report)

Extract of letter of invitation from the Right Honourable R. G. Menzies, C.H., Q.C., M.P., Prime Minister of Australia, to Sir Keith Murray, Chairman of the University Grants Committee in Great Britain (19 December 1956).

As foreshadowed in our discussions in London, I have great pleasure in inviting you to head a Committee of Inquiry into the future of the Australian Universities. We should hope that the Committee would take a wide charter to investigate how best the Universities may serve Australia at a time of great social and economic development within the nation.

The Committee is invited to indicate ways in which the Universities might be organised so as to ensure that their long-term pattern of development is in the best interests of the nation, and in particular to inquire into such matters as –

1. the role of the University in the Australian community;
2. the extension and co-ordination of University facilities;
3. technological education at University level; and
4. the financial needs of Universities and appropriate means of providing for these needs.

The list is not meant to be exhaustive and it does not set out to limit the inquiry to be undertaken by the Committee. I recognise that in the space of three months the Committee will of necessity be forced to limit its inquiries and deliberations to a relatively small number of topics. One of its first tasks therefore will be to specify the areas of consideration keeping in mind the general terms of reference outlined above.

In brief I have in mind that the Committee might pay attention to what Australian Universities could reasonably be expected to do, how they might be organised to do this and how their activities should be financed. Some of the specific topics which interest me include: numbers which should be kept in mind in determining whether a new University ought to be established, machinery for ensuring that the creation of new Faculties and

Chairs is done in such a way that existing resources are used adequately and needless duplication does not occur, and an analysis of the adequacy of the Commonwealth Scholarship Scheme whereby some 3,000 new scholarships are available annually for students at tertiary institutions. These, of course, represent only a few of the large number of topics which could be listed, but I would prefer the Committee itself to retain a considerable measure of freedom in deciding which problems might be studied in detail to give the most useful type of advice.

Membership of the Committee

Sir Keith Murray, Chairman of the University Grants Committee in Great Britain, (CHAIRMAN).
Sir Charles Morris, Vice-Chancellor, University of Leeds.
Sir Ian Clunies-Ross, Chairman, Commonwealth Scientific and Industrial Research Organization (CSIRO).
Mr Alex J. Reid, Chancellor, The University of Western Australia, Member, Commonwealth Grants Commission.
Mr. J. C. Richards, Assistant General Manager, Broken Hill Proprietary Company.

Appendix III

List of Chairmen and Members of the AUC: 1959–70

Chairmen

Sir Leslie Martin, CBE, Emeritus Professor (Melb.), Ph.D. (Cantab.), Hon. D.Sc., (ANU, Melb., Qld, NSW), Hon. LL.D. (WA), Hon. Litt.D. (Syd.), FAA, FRS, Chairman from 1 July 1959 to 31 December 1966.

C. L. S. Hewitt, OBE, B.Com. (Melb.), FASA, ACIS, ICA, Chairman from 1 January 1967 to 11 March 1968.

Sir Henry Basten, CMG, M.A. (Oxon and Adel.), Hon. D. Litt. (Flinders), Member from 1 March 1968 and Chairman from 12 March 1968 to 30 April 1971.

Members (As at 1 Jan. 1970)

N. S. Bayliss, CBE, B.Sc. (Melb.), B.A. (Oxon), Ph.D. (Calif.), FRACS, FAA, Professor of Physical Chemistry, University of Western Australia.

E. W. Coates, B.Com. (Melb.), Director of Finance, State Treasury, Victoria. Member from 18 November 1968.

W. L. Hughes, B.E., B.Sc. (Syd.), D. Phil. (Oxon), General Manager, Walkers Ltd, Maryborough, Queensland. Member from 10 November 1968.

A. W. Knight, CMG, ME, B.Sc., B.Com. (Tas.), FIE, Aust., Commissioner, Hydro-Electric Commission, Tasmania. Member from 14 April 1966.

R. A. Simpson, B.E. (Adel.), FSASM, FIE Aust., Director, Simpson Pope Ltd., Adelaide. Member from 1 July 1965.

S. Sunderland, CMG, MD (Melb.), B.S., D.Sc. (Melb.), FRACP, FRACS, FAA, Dean of Faculty of Medicine and Professor of Experimental Neurology, University of Melbourne. Member from 24 May 1962.

A. D. Trendall, CMG, KCSG, M.A., Litt.D. (Cantab. and NZ), Hon. Litt.D. (Melb.), Hon. D. Litt. (Adel.), FSA, FBA, Resident

Fellow, La Trobe University; Professor Emeritus (Syd.). Member from 1 July 1959.

Sir James Vernon, CBE, B.Sc. (Syd.), Ph.D. (Lond.), Hon. D.Sc. (Syd.), FRACI, General Manager, Colonial Sugar Refining Co., Sydney. Member from 1 July 1958.

Past Commissioners

Sir David Derham, CMG, MBE, B.A., LL.M. (Melb.). Member from 1 July 1965 to 29 February 1968.

K. B. Myer, DSC. Member from 1 July 1962 to 30 June 1965.

Sir Kenneth Wills, KBE, MC, E.D., K.St.J. Member from 1 July 1959 to 30 June 1965.

Appendix IV

Terms of Reference and Membership of the Committee on the Future of Tertiary Education (The Martin Committee, 1961-64)

Terms of reference

Text of Press Release issued by the Prime Minister on 27th August 1961

The Prime Minister announced today the composition of the Committee [see list following] which the Government has established to inquire into the future of tertiary education. The Commitree would be a committee of the Australian Universities Commission . . . .

In announcing the composition of the Committee, the Prime Minister recalled that the recommendations of the Murray Committee and, more recently, those of the Australian Universities Commission had been accepted by the Commonwealth and State Governments, with the result that vastly increased grants have been made available for universities since 1958. However, the rapidly increasing number of students who may wish to take advantage of tertiary education, and other factors such as student wastage, staff shortage and the pressure on universities generally, make it imperative that we investigate the best way of making the most efficient use of available and potential resources.

The government has decided, therefore, to establish this Committee to consider the pattern of tertiary education in relation to the needs and resources of Australia, and to make recommendations to the Commission on the future development of tertiary education.

The Prime Minister said that the Committee would make a wide-ranging investigation, and it was hoped that it would be able to complete its work and submit its recommendations before the end of the 1961-63 triennium.

Committees of enquiry in this field have already been created by the State Governments of New South Wales and Victoria, and close association between the national and state committees would be of the greatest value. In the United Kingdom, a committee with similar responsibilities had been established under the Chairmanship of Lord Robbins.

The Prime Minister expressed the hope that the Committee would have the benefit of advice and co-operation from the Aus-

tralian Vice-Chancellor's Committee, university staff, the Commonwealth Office of Education, State Departments of Education, and other Commonwealth and State Departments and Instrumentalities.

Membership of the Commission's Committee on the future of Tertiary Education in Australia

Emeritus Professor Sir Leslie Martin, CBE, Ph.D. (Cantab.), FAA, FRS, Formerly Professor of Physics, University of Melbourne (CHAIRMAN).

Emeritus Professor C. R. McRae, Ph.D. (Lond.), M.A., Dip.Ed., formerly Professor of Education and formerly Deputy Vice-Chancellor, University of Sydney (Deputy Chairman). Resigned, 30th June 1962. As from the beginning of 1963 Sir Samuel Wadham assumed many of the responsibilities of a Deputy Chairman.

Sir Keith Angas, Grazier, South Australia.

Professor D. P. Derham, MBE, B.A. LL.M., Dean of the Faculty of Law, Monash University, and formerly Professor of Jurisprudence, University of Melbourne.

Professor A. H. Ennor, CBE, D.Sc. (Melb.), FAA, Professor of Biochemistry, Institute of Advanced Studies, and Dean, John Curtin School of Medical Research, Australian National University.

Sir Alexander Fitzgerald, OBE, B.Com., FASA, FCIS, formerly Professor of Accounting, University of Melbourne, and formerly Chairman, Commonwealth Grants Commission.

Professor Sir Edward Ford, OBE, M.D. (Melb.), FRCP, FRACP, Professor of Preventive Medicine, University of Sydney, and Director, School of Public Health and Tropical Medicine.

Dr C. M. Gilray, OBE, MC, M.A., formerly Principal, Scotch College, Melbourne, and formerly Deputy Chancellor, University of Melbourne.

Mr N. E. Jones, Dip. Chem., Managing Director, Broken Hill Pty Co., Ltd.

Professor P. H. Karmel, Ph.D. (Cantab.), B.A., Professor of Economics, University of Adelaide, and Principal-Designate of University of Adelaide at Bedford Park.

Mr R. R. Mackay, F. Inst. R.E., FAIM, Principal, Royal Melbourne Institute of Technology. Deceased 4th December 1963.

Mr A. McDonell, B.A., B.Sc., B.Ed., FACE, Director of Education, Victoria.

Professor J. W. Roderick, M.A., M.Sc., Ph.D. (Bristol), MI.Struct.E,

AFR.Ae.S., MIE.Aust., MASCE, FAA, Professor of Civil Engineering, University of Sydney.

Professor Sir Fred Schonell, M.A., Ph.D. (Lond.), D.Litt (Lond.), FB.Ps.S., FACE, Vice-Chancellor, University of Queensland, and formerly Professor of Education, University of Queensland.

Emeritus Professor Sir Samuel Wadham, M.A., Agr. Dip., formerly Professor of Agriculture, University of Melbourne.

Mr L. W. Weickhardt, M.Sc., FRACI, FAIM, Technical Director, Imperial Chemical Industries of Australia and New Zealand Ltd.

Dr H. S. Wyndham, CBE, M.A. Ed. D. (Stanford), Dip.Ed., FRIPA, FACE, Director-General of Education, New South Wales.

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Western Australia

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